

WHITE MOUNTAINS INSURANCE GROUP LTD
Form DEF 14A
April 03, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

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

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

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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**Notice of 2014
Annual General Meeting
Of Members and
Proxy Statement**



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

White Mountains property and casualty insurance and reinsurance operations principally include: (1) OneBeacon Insurance Group, Ltd. (OneBeacon or OB), a 75%-owned Bermuda-based company which, through its U.S.-based subsidiaries, offers a wide range of specialty property and casualty insurance products through independent agencies, regional and national brokers, wholesalers and managing general agencies; (2) Sirius International Insurance Group, Ltd. (Sirius Group), a wholly-owned Bermuda-based company, which provides insurance and reinsurance products for property, accident and health, aviation and space, trade credit, marine, agriculture and certain other exposures on a worldwide basis through its subsidiaries, Sirius International Insurance Corporation (Sirius International), Sirius America Insurance Company and Lloyd's Syndicate 1945; and (3) HG Global, Ltd., a Bermuda-domiciled company that, through its subsidiaries, reinsures Build America Mutual Assurance Company (BAM), a municipal bond insurer domiciled in New York that provides insurance on bonds issued to support essential U.S. public purposes, and provided the initial capitalization of BAM through the purchase of \$503 million of BAM surplus notes. White Mountains' invested assets are managed by White Mountains Advisors LLC (WM Advisors), the Company's wholly-owned investment management subsidiary. For additional information on our business segments, please refer to the Form 10-K for 2013 which can be found at www.whitemountains.com.

The 2014 Annual General Meeting will be confined to a Member vote on the proposals set forth in this Proxy Statement and on such other matters properly brought before the meeting.

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WHITE MOUNTAINS INSURANCE GROUP, LTD.

NOTICE OF 2014 ANNUAL GENERAL MEETING OF MEMBERS

TO BE HELD MAY 22, 2014

April 3, 2014

Notice is hereby given that the 2014 Annual General Meeting of Members of White Mountains Insurance Group, Ltd. will be held on Thursday, May 22, 2014 at 11:00 am Atlantic Time at Tucker's Point Hotel, 60 Tucker's Point Drive, Hamilton Parish, Bermuda. At this meeting you will be asked to consider and vote upon the following proposals:

- 1) election of three of the Company's directors to Class II with a new term ending in 2017;
- 2) election of the Board of Directors of Sirius International Insurance Corporation, a wholly-owned reinsurance company organized under the laws of Sweden;
- 3) election of the Board of Directors of HG Re Ltd. (HG Re), a wholly-owned reinsurance company organized under the laws of Bermuda;
- 4) election of the Board of Directors of White Mountains Life Reinsurance (Bermuda) Ltd. (WMLRB), a wholly-owned reinsurance company organized under the laws of Bermuda;
- 5) election of the Board of Directors of White Shoals Re Ltd. (WSR), a wholly-owned reinsurance company organized under the laws of Bermuda;
- 6) election of the Board of Directors of Star Re Ltd., a wholly-owned reinsurance company organized under the laws of Bermuda;
- 7) election of the Board of Directors of Alstead Reinsurance (SAC) Ltd. (Alstead Re), a wholly-owned reinsurance company organized under the laws of Bermuda;
- 8) election of the Board of Directors of White Mountains Re Sirius Capital Ltd. (SCL), a Lloyd's of London corporate member;
- 9) election of the Board of Directors of Split Rock Insurance, Ltd. (Split Rock), a reinsurance company wholly-owned by OneBeacon Insurance Group organized under the laws of Bermuda;
- 10) election of the Board of Directors of any new designated subsidiary;
- 11) approval of the advisory resolution on executive compensation;
- 12) approval of the appointment of PricewaterhouseCoopers LLP (PwC) as the Company's Independent Registered Public Accounting Firm for 2014.

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The Company's audited financial statements for the year ended December 31, 2013, as approved by the Company's Board of Directors, will be presented at this Annual General Meeting.

Members of record of common shares on the record date, Tuesday, April 1, 2014, (1) who are individuals, may attend and vote at the meeting in person or by proxy or (2) that are corporations or other entities, may have their duly authorized representative attend and vote at the meeting in person or by proxy. A list of all Members entitled to vote at the meeting will be open for public examination during regular business hours beginning on or about April 15, 2014 at the Company's registered office located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

All Members are invited to attend this meeting.

By Order of the Board of Directors,

Jennifer L. Pitts
Corporate Secretary

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

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WHITE MOUNTAINS INSURANCE GROUP, LTD.

PROXY STATEMENT

This Proxy Statement is being furnished in connection with the solicitation of proxies on behalf of the Company's Board of Directors (the Board) for the 2014 Annual General Meeting of Members (the 2014 Annual Meeting), to be held on Thursday, May 22, 2014 at Tucker's Point Hotel, 60 Tucker's Point Drive, Hamilton Parish, Bermuda. The solicitation of proxies will be made primarily by mail, and the Proxy Statement and related proxy materials will be distributed to registered Members on or about April 17, 2014.

Holders of the Company's common shares (Members), par value \$1.00 per share, as of the close of business on Tuesday, April 1, 2014, the record date, are entitled to vote at the meeting.

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

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

IMPORTANT VOTING INFORMATION

If you hold your shares through a broker, bank or other financial institution, in order for your vote to be counted on any matter other than Proposal 12 (the ratification of the selection of PwC as the Company's auditor for 2014), you must provide specific voting instructions to your broker, bank or financial institution by completing and returning the proxy card or following the instructions provided to you to vote your shares via telephone or the Internet. Voting deadlines vary by institution. Please check with your broker, bank or other financial institution for the voting cut-off date for WTM.

Your Participation in Voting the Shares You Own Is Important

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

More Information Is Available

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

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PROPOSAL 1 - ELECTION OF THE COMPANY S DIRECTORS

THE BOARD OF DIRECTORS

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

At the 2014 Annual General Meeting, Messrs. Raymond Barrette, Yves Brouillette and John D. Gillespie are nominated to be elected to Class II with a term ending in 2017.

The Board recommends a vote FOR Proposal 1 which calls for the election of the 2014 nominees.

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

Director	Age	Director since
Class I - Term ending in 2016		
Morgan W. Davis	63	2006
Edith E. Holiday	62	2004
Lowndes A. Smith	74	2003
Class II - Term ending in 2014*		
Raymond Barrette, Chairman	63	2006
Yves Brouillette	62	2007
John D. Gillespie	55	1999
Class III - Term ending in 2015		
A. Michael Frinquelli	72	2005
Allan L. Waters	56	2005

* Nominated to be elected at the 2014 Annual Meeting to Class II with a term ending in 2017.

All three of the nominees for election at the 2014 Annual Meeting, Messrs. Barrette, Brouillette and Gillespie, were previously elected by Members.

The Board believes its members should have a diversity of skills and experience and be willing to devote adequate time and effort to Board responsibilities. In evaluating director candidates, the Nominating and Governance Committee evaluates attributes such

as independence, integrity, expertise, breadth of experience, knowledge about the Company's business and industry, and ownership interest in the Company. Key aspects of the directors' experiences, qualifications and skills are included in their individual biographies.

Class I - Term Ending in 2016

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

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Edith E. Holiday has been a director of the Company since 2004. Ms. Holiday formerly served as Operating Trustee for TWE Holdings I and II Trusts from 2002 to 2007. Ms. Holiday was also the President, Secretary and Treasurer of Comcast TW Holdings, Inc. from 2006-2007. From 1990 to 1993 Ms. Holiday served as Assistant to the President of the United States and Secretary of the Cabinet. From 1989 to 1990 she was General Counsel to the United States Treasury Department. Ms. Holiday also holds directorships at Canadian National Railway Company (since 2001), RTI International Metals, Inc. (since 1999), Hess Corporation (since 1993), where she also serves on the Audit Committee, and is a director or trustee of 42 investment companies in the Franklin Templeton Group of Mutual Funds (since 1996). Ms. Holiday also served as a Director for the H. J. Heinz Company (from 1995 until 2013). Ms. Holiday has extensive board-level experience across diverse industries and significant experience with the U.S. Federal government.

Lowndes A. Smith has been a director of the Company since 2003. Mr. Smith has served as Managing Partner of Whittington Gray Associates since 2001. Mr. Smith formerly served as Vice Chairman of The Hartford Financial Services Group, Inc. (The Hartford) (1989-2001) and President and CEO of Hartford Life Insurance Company (1989-2001). Mr. Smith serves as Chairman of the Board and a member of the Compensation Committee of OneBeacon, and as Chairman of the Board and a member of the Audit, Compensation and Executive Committees of Symetra Financial Corporation. Mr. Smith is a director of 84 investment companies in the mutual funds of The Hartford (since 1990). Mr. Smith has more than 40 years of experience in the insurance industry as well as broad management and financial experience.

Class II - Term Ending in 2014 (up for re-election)

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

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

John D. Gillespie has been a director of the Company since 1999. Mr. Gillespie is the founder and Managing Member of Prospector Partners, LLC (Prospector) and has been the Chairman and President of Prospector Funds, Inc. since 2007 and a Director of Prospector Offshore Fund (Bermuda) Ltd. since 1997. Mr. Gillespie served as Chairman and President of WM Advisors (2003-2005), as a Managing Director of OneBeacon (2001-2003) and was a director of Symetra Financial Corporation (2004-2007). Prior to forming Prospector, Mr. Gillespie was President of the T. Rowe Price Growth Stock Fund and the New Age Media Fund, Inc. Mr. Gillespie possesses extensive financial and investment experience.

Class III - Term Ending in 2015

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