

WHITE MOUNTAINS INSURANCE GROUP LTD
Form SC TO-I
April 10, 2018

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE TO

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934**

WHITE MOUNTAINS INSURANCE GROUP, LTD.

(Name of Subject Company (Issuer) and Filing Person (Issuer and Offeror))

Common Shares, par value \$1.00 per share

(Title of Class of Securities)

G9618E107

(CUSIP Number of Class of Securities)

**Robert L. Seelig, Esq.
Executive Vice President and General Counsel
White Mountains Insurance Group, Ltd.
80 South Main Street
Hanover, New Hampshire 03755-2053
Telephone: (603) 640-2200**

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

**With a copy to:
Ting S. Chen, Esq.
Cravath, Swaine & Moore LLP
825 Eighth Avenue
New York, New York 10019
Telephone: (212) 474-1000**

CALCULATION OF FILING FEE:

| TRANSACTION VALUATION* | AMOUNT OF FILING FEE** |
|-------------------------------|-------------------------------|
| \$437,500,000.00 | \$54,468.75 |

* Estimated for purposes of calculating the amount of the filing fee only. This calculation assumes the purchase of a total of 500,000 outstanding Common Shares, par value \$1.00 per share, of White Mountains Insurance Group, Ltd. at the maximum tender offer price of \$875 per share.

** The amount of the filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, equals \$124.50 per million of the value of the transaction.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

| | | | |
|--|----------------|------------------------------|----------------|
| Amount previously paid: Form or Registration No.: | Not applicable | Filing Party: Date Filed: | Not applicable |
|--|----------------|------------------------------|----------------|

Check the box if the filing relates solely to preliminary communications made before the commencement of the tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

INTRODUCTION

This Issuer Tender Offer Statement on Schedule TO ("*Schedule TO*") relates to the tender offer by White Mountains Insurance Group, Ltd., a company organized under the laws of Bermuda (the "*Company*"), to purchase 500,000 of its issued and outstanding Common Shares, par value \$1.00 per share (the "*Common Shares*" or the "*Shares*"), or such lesser number of Shares as is properly tendered and not properly withdrawn, at a price not greater than \$875 or less than \$825 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated April 10, 2018 (the "*Offer to Purchase*"), a copy of which is attached hereto as Exhibit (a)(1)(A), and in the related Letter of Transmittal (the "*Letter of Transmittal*" and, together with the Offer to Purchase, as they may be amended or supplemented from time to time, the "*Offer*"), a copy of which is attached hereto as Exhibit (a)(1)(B), which are herein incorporated by reference. This Schedule TO is being filed in accordance with Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*").

All information in the Offer is hereby expressly incorporated by reference in answer to all items in this Schedule TO, and as more particularly set forth below.

Item 1. Summary Term Sheet.

The information set forth in the Offer to Purchase under "Summary Term Sheet" is incorporated herein by reference.

Item 2. Subject Company Information.

(a) The name of the issuer is White Mountains Insurance Group, Ltd., a company organized under the laws of Bermuda. The Company's principal executive offices are located at 80 South Main Street, Hanover, New Hampshire 03755-2053, telephone: (603) 640-2200.

(b) The class of securities to which this statement relates is the Common Shares, par value \$1.00 per share, of which 3,753,405 Shares were issued and outstanding as of April 9, 2018.

(c) The information set forth in the Offer to Purchase under Section 7 ("Price Range of Shares; Dividends") is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) This Tender Offer Statement on Schedule TO is filed by the Company, which is also the issuer. The Company's address and telephone number are set forth under Item 2. The information set forth in the Offer to Purchase under Schedule I and Section 11 ("Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a) The following information set forth in the Offer to Purchase is incorporated herein by reference:

"Summary Term Sheet";

"Introduction";

Section 1 ("Number of Shares; Proration");

Section 2 ("Procedures for Tendering Shares");

Section 3 ("Withdrawal Rights");

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Section 5 ("Purpose of the Offer; Certain Effects of the Offer");

Section 6 ("Certain U.S. Federal Income Tax Consequences");

Section 8 ("Conditions to the Offer");

Section 11 ("Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares"); and

Section 14 ("Extension of the Offer; Termination; Amendment").

(b) The information set forth in the Offer to Purchase under "Summary Term Sheet", "Introduction", Section 5 ("Purpose of the Offer; Certain Effects of the Offer") and Section 11 ("Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(e) The information set forth in the Offer to Purchase under Section 11 ("Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

Item 6. Purpose of the Transaction and Plans or Proposals.

(a) The information set forth in the Offer to Purchase under "Summary Term Sheet" and Section 5 ("Purpose of the Offer; Certain Effects of the Offer") is incorporated herein by reference.

(b) The information set forth in the Offer to Purchase under Section 5 ("Purpose of the Offer; Certain Effects of the Offer") is incorporated herein by reference.

(c) The information set forth in the Offer to Purchase under "Summary Term Sheet", "Introduction", Section 5 ("Purpose of the Offer; Certain Effects of the Offer"), Section 9 ("Certain Information Concerning the Company") and Section 10 ("Source and Amount of Funds") is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a), (b) and (d) The information set forth in the Offer to Purchase under "Summary Term Sheet" and Section 10 ("Source and Amount of Funds") is incorporated herein by reference.

Item 8. Interest in Securities of the Subject Company.

(a) and (b) The information set forth in the Offer to Purchase under Schedule I and Section 11 ("Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

Item 9. Persons/Assets Retained, Employed, Compensated or Used.

(a) The information set forth in the Offer to Purchase under "Introduction" and Section 15 ("Fees and Expenses") is incorporated herein by reference.

Item 10. Financial Statements.

Not applicable.

Item 11. Additional Information.

(a)(1) The information set forth in the Offer to Purchase under Section 11 ("Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

(a)(2) The information set forth in the Offer to Purchase under Section 12 ("Certain Legal Matters") is incorporated herein by reference.

(a)(3) Not applicable.

(a)(4) The information set forth in the Offer to Purchase under Section 13 ("Effects of the Offer on the Market for Shares; Registration Under the Exchange Act") is incorporated herein by reference.

(a)(5) None.

(b) The information set forth in the Offer to Purchase and the Letter of Transmittal, as each may be amended or supplemented from time to time, is incorporated herein by reference.

Item 12. Exhibits.

| Exhibit No. | Description |
|-------------|--|
| (a)(1)(A) | Offer to Purchase, dated April 10, 2018 |
| (a)(1)(B) | Letter of Transmittal, dated April 10, 2018 |
| (a)(1)(C) | Notice of Guaranteed Delivery |
| (a)(1)(D) | Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees |
| (a)(1)(E) | Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees |
| (a)(1)(F) | Form of Summary Advertisement, as published on April 10, 2018 |
| (a)(1)(G) | Letter from the Company's Chief Executive Officer to shareholders, dated April 10, 2018 |
| (a)(1)(H) | Letter to participants in the White Mountains Retirement Plan, dated April 10, 2018 |
| (a)(1)(I) | Email to participants in the White Mountains Retirement Plan, dated April 10, 2018 |
| (a)(5) | Press Release, dated April 10, 2018 |
| (b) | Not applicable |
| (d)(1) | White Mountains Long-Term Incentive Plan, as amended (incorporated by reference herein and filed as Appendix A of the Company's Notice of 2013 Annual General Meeting of Members and Proxy Statement, dated April 10, 2013) |
| (d)(2) | Retirement Agreement, dated March 1, 2017 between White Mountains Insurance Group, Ltd. and Raymond Barrette (incorporated by reference herein and filed as Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2017) |
| (d)(3) | Employment Agreement, dated May 2, 2017 between White Mountains Insurance Group, Ltd. and David T. Foy (incorporated by reference herein and filed as Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2017) |
| (d)(4) | White Mountains Bonus Plan (incorporated by reference herein and filed as Exhibit 10.10 of the Company's 2015 Annual Report on Form 10-K) |

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| Exhibit No. | Description |
|------------------------|---|
| (d)(5) | Regulation 114 Trust Agreement by and among Build America Mutual Assurance Company, HG Re Ltd. and The Bank of New York Mellon, dated July 20, 2012 (incorporated by reference herein and filed as Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2012) |
| (d)(6) | Amended and Restated Supplemental Trust Agreement by and among Build America Mutual Assurance Company, HG Re Ltd. and The Bank of New York Mellon, dated August 14, 2017 |
| (d)(7) | Second Amended and Restated Surplus Note Purchase Agreement between Build America Mutual Assurance Company, as Issuer and HG Holdings Ltd. and HG Re Ltd. as Purchasers, dated August 14, 2017 |
| (g) | Not applicable |
| (h) | Not applicable |

Item 13. Information Required by Schedule 13E-3.

Not applicable.

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| (g) | Not applicable |
| (h) | Not applicable |

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

WHITE MOUNTAINS INSURANCE
GROUP, LTD.

By: /s/ J. BRIAN PALMER

Name: J. Brian Palmer
Title: *Managing Director and Chief Accounting Officer*

April 10, 2018

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SIGNATURE