

Flagstone Reinsurance Holdings Ltd
 Form 4
 December 10, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SWAYNE GUY

2. Issuer Name and Ticker or Trading Symbol
 Flagstone Reinsurance Holdings Ltd [FSR]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 12/08/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 CEO - FLAGSTONE RE SUISSE SA

FLAGSTONE REINSURANCE HOLDINGS LIMITED, CRAWFORD HOUSE, 23 CHURCH STREET

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

HAMILTON, D0 HM 11

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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these shares would have vested on December 31, 2010.

Assuming the Company would settle these PSUs within three months of the vesting date, 105,000 of these shares would have expired on

- (4) March 31, 2009; 130,000 of these shares would have expired on March 31, 2010 and 146,700 of these shares would have expired on March 31, 2011.
- (5) Represents the mid-point of the vesting range described in note 1 above for these PSUs.
- (6) The PSU grants are held in trust for the benefit of others, and Mr. Swayne disclaims beneficial ownership of PSUs held in trust.
- (7) These PSUs would vest, subject to the contingencies described in note 1 above and the other terms and conditions of the issuer's PSU Plan, on the date shown.
- (8) Assumes the issuer will settle these PSUs within three months of the vesting date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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