

Flagstone Reinsurance Holdings Ltd
Form 3
March 29, 2007

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *

Â PRESTIA GARY

(Last) (First) (Middle)

FLAGSTONE REINSURANCE
HOLDINGS LIMITED,Â 23
CHURCH STREET

(Street)

HAMILTON, D0, HM11Â

(City) (State) (Zip)

2. Date of Event Requiring
Statement

(Month/Day/Year)

03/29/2007

3. Issuer Name **and** Ticker or Trading Symbol

Flagstone Reinsurance Holdings Ltd [FSR]

4. Relationship of Reporting
Person(s) to Issuer

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

(Check all applicable)

____ Director ____ 10% Owner

☒ Officer ____ Other

(give title below) (specify below)

Chief Underwriting Officer, NA

6. Individual or Joint/Group

Filing(Check Applicable Line)

☒ Form filed by One Reporting
Person

____ Form filed by More than One
Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security
(Instr. 4)

2. Amount of Securities
Beneficially Owned
(Instr. 4)

3. Ownership
Form:
Direct (D)
or Indirect
(I)
(Instr. 5)

4. Nature of Indirect Beneficial
Ownership
(Instr. 5)

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

SEC 1473 (7-02)

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form displays a
currently valid OMB control number.**

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

1. Title of Derivative
Security
(Instr. 4)

2. Date Exercisable and Expiration
Date
(Month/Day/Year)

Date Exercisable Expiration Date

3. Title and Amount of
Securities Underlying
Derivative Security
(Instr. 4)

Title Amount or
Number of

4. Conversion
or Exercise
Price of
Derivative
Security

5. Ownership
Form of
Derivative
Security:
Direct (D)

6. Nature of
Indirect Beneficial
Ownership
(Instr. 5)

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				Shares		or Indirect (I) (Instr. 5)	
Performance Share Units	12/31/2008 ⁽¹⁾	03/31/2009 ⁽²⁾	Common Shares	70,000 ⁽³⁾	\$ 0 ⁽⁴⁾	D	Â
Performance Share Units	12/31/2009 ⁽¹⁾	03/31/2010 ⁽²⁾	Common Shares	70,000 ⁽³⁾	\$ 0 ⁽⁴⁾	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PRESTIA GARY FLAGSTONE REINSURANCE HOLDINGS LIMITED 23 CHURCH STREET HAMILTON, D0, HM11	Â	Â	Â Chief Underwriting Officer, NA	Â

Signatures

/s/ Gary Prestia 03/29/2007

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These Performance Share Units ("PSUs") would vest, subject to the contingency described in note 4 below and the other terms and conditions of the issuer's PSU Plan, on the date shown.

(2) Assumes the issuer will settle these PSUs within three months of the vesting date.

(3) Represents the mid-point of the vesting range described in note 4 below for these PSUs.

(4) Vesting of PSUs is contingent upon the issuer meeting certain fully diluted return-on-equity ("FDROE") goals. Upon vesting, the PSU holder shall be entitled to receive a number of common shares of the issuer (or the cash equivalent, at the election of the issuer) equal to the product of the number of PSUs granted multiplied by a factor based on the issuer's FDROE during the vesting period. The factor will range between zero and two, depending on the FDROE achieved during the vesting period.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.