

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

December 1, 1995
Date of Report (Date of earliest event reported)

FUND AMERICAN ENTERPRISES HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-8993	94-2708455
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I.R.S. Employer Identification No.)

The 1820 House, Norwich, Vermont 05055
(Address of principal executive offices)

(802) 649-3633
(Registrant's telephone number, including area code)

Item 5. Other Events.

On December 1, 1995, White Mountains Holdings, Inc., a wholly-owned subsidiary of Fund American Enterprises Holdings, Inc., completed its acquisition of the Oregon-based Valley Insurance Group, a full personal and commercial lines, for \$37.8 million. Also included in the transaction is the purchase of Skandia subsidiary Charter, a Texas non-standard automobile insurer, which was purchased for \$3.3 million.

Valley writes a full line of business insurance and commercial auto, as well as homeowners, personal umbrella and private passenger auto in Washington, Oregon and California. Charter writes non-standard auto in Texas. Valley's annual direct written premium is \$75 million; Charter's is \$70 million.

Item 7. Financial Statements and Exhibits.

(c) Exhibits. The following exhibits are filed herewith:

Exhibit No. -----	Description -----
28 (a)	Press Release dated December 1, 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FUND AMERICAN ENTERPRISES HOLDINGS, INC.

Dated: December 1, 1995

By: _____/s/_____
Michael S. Paquette
Vice President and
Controller

[LOGO OF WHITE MOUNTAINS
INSURANCE COMPANY
APPEARS HERE]

PRESS
RELEASE
contact: Terry Baxter
802-649-2640

WHITE MOUNTAINS COMPLETES
VALLEY PURCHASE

HANOVER, New Hampshire, December 1, 1995 - Today White Mountains completed its acquisition of the Oregon-based Valley Insurance Group, a full personal and commercial lines insurer. As previously announced, White Mountains has bought Valley from Skandia America Corp for \$37.8 million. Also included in the transaction is the purchase of Skandia subsidiary Charter, a Texas non-standard automobile insurer.

In addition to the purchase price, White Mountains will contribute up to \$40 million of additional capital to support Valley's growth and product development. White Mountains' Chairman Tom Kemp said, "The Valley Group fits well with our family of regional companies, each close to the markets they serve and focused on careful underwriting through independent agents. We are delighted to welcome Dan Post and his team."

Valley writes a full line of business insurance and commercial auto, as well as homeowners, personal umbrella and private passenger auto in Washington, Oregon and California. Charter writes non-standard auto in Texas. Valley's annual direct written premium is \$75 million; Charter's is \$70 million.

Since its formation earlier this year, White Mountains has assembled a \$250 million family of insurance companies. In addition to Valley and Charter, and White Mountains Insurance Company which writes commercial lines in New Hampshire, White Mountains has an ownership interest in Main Street America, a Keene, New Hampshire property/casualty insurer, and Financial Security Assurance (FSA), a New York City based financial guaranty insurer.

White Mountains is a wholly-owned subsidiary of Fund American, a \$1.8 billion financial services holding company formerly the parent of Fireman's Fund Insurance Company. Fund American is listed on the New York Stock Exchange (FFC) and is headquartered in Norwich, Vermont.

WHITE MOUNTAINS HOLDINGS
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