

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(Amendment No. 7)

FINANCIAL SECURITY ASSURANCE HOLDINGS LTD.

-----  
(Name of Issuer)

COMMON STOCK, PAR VALUE \$.01 PER SHARE

-----  
(Title of Class of Securities)

31769P 10 0

-----  
(CUSIP Number)

Michael S. Paquette  
Senior Vice President and Controller  
White Mountains Insurance Group, Inc.  
80 South Main Street  
Hanover, NH 03755  
(603) 640-2205

-----  
(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

SEPTEMBER 2, 1999

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

Check the following box if a fee is being paid with this statement .  
(A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class. (See Rule 13d-7.)

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

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(1) Name of Reporting Person. S.S. or I.R.S. Identification No. of Above Person

White Mountains Insurance Group, Inc. ("WMIG") 94-2708455  
(formerly Fund American Enterprises Holdings, Inc.)  
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(2) Check the Appropriate Box if a Member (a) \_\_\_\_\_  
of a Group (See Instructions)

\_\_\_\_\_(b)\_\_\_\_\_

(3) (SEC Use Only)  
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(4) Source of Funds (See Instructions)  
WC  
-----

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items  
2(d) or 2(e)  
-----

(6) Citizenship or Place of Organization Delaware  
-----

Number of Shares  
Beneficially Owned  
by Each Reporting  
Person With

(7) Sole Voting Power  
0  
-----

(8) Shared Voting Power  
8,020,807\*  
-----

(9) Sole Dispositive Power  
0  
-----

(10) Shared Dispositive Power  
8,020,807\*  
-----

(11) Aggregate Amount Beneficially Owned by Each Reporting Person  
8,020,807 shares\*  
-----

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See  
Instructions)  
-----

(13) Percent of Class Represented by Amount in Row (11) Approximately 23.9%  
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(14) Type of Reporting Person (See Instructions) HC, CO  
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\* The reporting person owns no shares of record and beneficially owns (through wholly-owned affiliates) 6,020,807 shares of common stock ("Common Stock") of Financial Security Assurance Holdings Ltd. ("FSA"). The amounts shown in rows (8), (10), (11) and (13) also include 2,000,000 shares of Series A Convertible Redeemable Preferred Stock of FSA ("Preferred Stock"), convertible at the option of the holder thereof into Common Stock, as further described herein.



(1) Name of Reporting Person. S.S. or I.R.S. Identification No. of Above Person

White Mountains Holdings, Inc. ("WMH") 51-0328932

(2) Check the Appropriate Box if a Member (a) \_\_\_\_\_ of a Group (See Instructions)

\_\_\_\_\_ (b) \_\_\_\_\_

(3) (SEC Use Only)

(4) Source of Funds (See Instructions)  
WC

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

(6) Citizenship or Place of Organization Delaware

Number of Shares  
Beneficially Owned  
by Each Reporting  
Person With

(7) Sole Voting Power  
0

(8) Shared Voting Power  
8,020,807\*

(9) Sole Dispositive Power  
0

(10) Shared Dispositive Power  
8,020,807\*

(11) Aggregate Amount Beneficially Owned by Each Reporting Person  
8,020,807 shares\*

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

(13) Percent of Class Represented by Amount in Row (11) Approximately 23.9%

(14) Type of Reporting Person (See Instructions) HC, CO

\* The reporting person owns no shares of record and beneficially owns (through wholly-owned affiliates) 6,020,807 shares of Common Stock. The amounts shown in rows (8), (10), (11) and (13) also include 2,000,000 shares of Preferred Stock, convertible at the option of the holder thereof into Common Stock, in each case as further described herein.



(1) Name of Reporting Person. S.S. or I.R.S. Identification No. of Above Person

White Mountains Services Corporation ("WMS") 38-2011419  
(formerly Source One Mortgage Services Corporation)

(2) Check the Appropriate Box if a Member (a) \_\_\_\_\_  
of a Group (See Instructions)

\_\_\_\_\_ (b) \_\_\_\_\_

(3) (SEC Use Only)

(4) Source of Funds (See Instructions)  
WC

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items  
2(d) or 2(e)

(6) Citizenship or Place of Organization Delaware

Number of Shares  
Beneficially Owned  
by Each Reporting  
Person With

(7) Sole Voting Power  
8,020,807\*

(8) Shared Voting Power  
0

(9) Sole Dispositive Power  
8,020,807\*

(10) Shared Dispositive Power  
0

(11) Aggregate Amount Beneficially Owned by Each Reporting Person  
8,020,807 shares\*

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See  
Instructions)

(13) Percent of Class Represented by Amount in Row (11) Approximately 23.9%

(14) Type of Reporting Person (See Instructions) C0

\* The reporting person directly owns 6,020,807 shares of Common Stock of record. The amounts shown in rows (7), (9), (11) and (13) also include 2,000,000 shares of Preferred Stock, convertible at the option of the holder thereof into Common Stock, in each case as further described herein.



ONLY ITEMS REPORTED IN THIS AMENDMENT NO. 7 TO SCHEDULE 13D ARE AMENDED FROM THE FILING ON SCHEDULE 13D DATED MAY 13, 1994, AS AMENDED BY AMENDMENT NO. 1 DATED SEPTEMBER 2, 1994, AMENDMENT NO. 2 DATED SEPTEMBER 14, 1994, AMENDMENT NO. 3 DATED JANUARY 17, 1995, AMENDMENT NO. 4 DATED NOVEMBER 13, 1995, AMENDMENT NO. 5 DATED JUNE 17, 1996 AND AMENDMENT NO. 6 DATED MAY 12, 1999 (AS SO AMENDED, THE "SCHEDULE 13D"), FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BY WMIG, WITH RESPECT TO THE COMMON STOCK, PAR VALUE \$.01 PER SHARE, OF FSA, A NEW YORK CORPORATION. ALL OTHER ITEMS REMAIN UNCHANGED. UNLESS OTHERWISE SPECIFIED, ALL DEFINED TERMS USED HEREIN HAVE THE MEANING PREVIOUSLY ASCRIBED TO THEM IN THE SCHEDULE 13D.

ITEM 2. IDENTITY AND BACKGROUND.

The persons filing this Amendment No. 7 are WMIG (a Delaware corporation), WMH (a Delaware corporation) and WMSC (a Delaware corporation), collectively referred to herein as the "Reporting Persons". WMH and WMSC are each direct or indirect wholly-owned subsidiaries of WMIG.

WMIG, WMSC and WMH are financial services holding companies. The principal business and office address of WMIG and WMH is 80 South Main Street, Hanover, New Hampshire 03755 and the principal business and office address of WMSC is P.O. Box 2005, Farmington Hills, MI 48333-2005.

Information with respect to each executive officer and director of each of the Reporting Persons, including each such officer's and director's name, residence or business address, present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted, and citizenship, is set forth in Schedule I attached to this Amendment No. 7, which Schedule I is incorporated herein by reference.



None of the Reporting Persons nor, to the knowledge of the Reporting Persons, any executive officer or director of any of the Reporting Persons has, during the last five years, (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceedings was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

On September 2, 1999, WMSC exercised its ten-year option with MediaOne Capital Corporation ("MediaOne", formerly U S WEST Capital Corporation) to purchase 1,893,940 shares of Common Stock from MediaOne at a purchase price of \$26.40 per share. The consideration provided to MediaOne to exercise such options consisted of \$16.00 in cash and \$50.0 million of proceeds arising from the redemption of MediaOne preferred stock held by WMSC, which also occurred on September 2, 1999.

ITEM 4. PURPOSE OF TRANSACTION.

As previously stated, on September 2, 1999, WMSC exercised its ten-year option with MediaOne to purchase 1,893,940 shares of Common Stock from MediaOne at a purchase price of \$26.40 per share. The Common Shares acquired by WMSC on September 2, 1999 are being held by WMSC for investment purposes. All Common Shares owned by WMSC are subject to a Registration Rights Agreement dated May 13, 1994 with MediaOne and the Issuer (previously filed herein).

Except as set forth above, neither WMIG, WMH nor WMSC has any current plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer; (b) an extraordinary corporate transaction, such as a merger,

reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (d) any change in the present board or directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any other material change in the Issuer's business or corporate structure; (g) changes in the Issuer's charter, by-laws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person; (h) causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or (j) any action similar to any of those enumerated above.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) The Issuer has informed the Reporting Persons that 31,533,781 shares of Common Stock were outstanding on July 31, 1999. After giving effect to the conversion in full of the Preferred Stock, 33,533,781 shares of Common Stock would have been outstanding on such date, based on the foregoing information furnished by the Issuer. As of the date of this Amendment No. 7, WMIG and WMH owned no shares of record of Common Stock and beneficially owns, through WMSC, 6,020,807 shares of Common Stock and has the right to acquire beneficial ownership 2,000,000 shares of Common Stock upon conversion of the Preferred Stock. Accordingly, as of the date hereof, WMIG beneficially owns an aggregate of 8,020,807 shares of Common Stock. As of the date of this Amendment No. 7, WMSC owns all the shares of Common Stock of the Reporting Persons and has the right to acquire the aforesaid numbers of shares of Common Stock pursuant to the conversion of the Preferred Stock. Assuming that the Preferred Stock is converted in full, (i)

such 8,020,807 shares beneficially owned by the Reporting Persons represent approximately 23.9% of the Issuer's Common Stock which would then be outstanding as aforesaid. As of the date of this Amendment, the following persons listed on Schedule I to the Schedule 13D beneficially own the following number of shares of Common Stock: John J. Byrne - 35,000 shares, K. Thomas Kemp - 1,600 shares and Terry L. Baxter - 1,000 shares. Such numbers of shares each represent less than 1% of the outstanding shares of Common Stock. Except as set forth above, neither WMIG nor, to its knowledge, any person listed on Schedule I to the Schedule 13D beneficially own any shares of Common Stock.

- (b) WMIG and WMH shares the power to vote or to direct the vote of, and shares the power to dispose or to direct the disposition of the 8,020,807 shares of Common Stock specified in paragraph (a) immediately above with the other Reporting Persons, in each case to the extent that any such other Reporting Person also has beneficial ownership of any such shares of Common Stock as described in paragraph (a) immediately above.
- (c) As previously stated, on September 2, 1999, WMSC exercised its ten-year option with MediaOne Capital Corporation to purchase 1,893,940 shares of Common Stock from MediaOne at a purchase price of \$26.40 per share. There have been no other transactions by WMIG, WMH or WMSC, or to the knowledge of WMIG, WMH or WMSC, any of the persons listed on Schedule I attached hereto, in Common Stock effected during the past 60 days.
- (d) None
- (e) Not Applicable

SIGNATURES

After reasonable inquiry and to the best of the knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: September 13, 1999

WHITE MOUNTAINS INSURANCE GROUP, INC.

BY:

-----  
Name: Michael S. Paquette  
Title: Senior Vice President and Controller

WHITE MOUNTAINS HOLDINGS, INC.

BY:

-----  
Name: Michael S. Paquette  
Title: Senior Vice President and Controller

WHITE MOUNTAINS SERVICES CORPORATION

BY:

-----  
Name: Michael S. Paquette  
Title: President

SCHEDULE I TO SCHEDULE 13D

Following is a list of the directors and executive officers of White Mountains Insurance Group, Inc. ("WMIG"), White Mountains Holdings, Inc. ("WMH"), and White Mountains Services Corporation ("WMSC") setting forth the business address and present principal occupation or employment (and the name, principal business and address of any corporation or organization in which such employment is conducted) of each such person. Each such person is a citizen of the USA.

Name and Business Address -----	Office -----	Present Principal Occupation or Employment -----
WMIG		
Raymond Barrette White Mountains Insurance Group, Inc. 80 South Main Street Hanover, NH 03755	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer
Terry L. Baxter White Mountains Insurance Group, Inc. 80 South Main Street Hanover, NH 03755	Executive Vice President and Director	Executive Vice President and Director
John J. Byrne White Mountains Insurance Group, Inc. 80 South Main Street Hanover, NH 03755	Chairman of the Board	Chairman of the Board
Patrick M. Byrne Centricut, LLC 2 Technology Drive, STE 3 West Lebanon, NH 03784	Director	Chief Executive Officer of Centricut, LLC
Reid T. Campbell White Mountains Insurance Group, Inc. 80 South Main Street Hanover, NH 03755	Vice President - Finance	Vice President - Finance
Howard L. Clark, Jr. Lehman Brothers Inc. American Express Tower New York, NY 10128	Director	Vice Chairman of Lehman Brothers Inc.
Robert P. Cochran Financial Security Assurance Holdings Ltd. 350 Park Avenue New York, NY 10022	Director	Chairman, President & Chief Executive Officer of Financial Security Assurance Holdings Ltd.

SCHEDULE I TO SCHEDULE 13D (CONT.)

Name and Business Address -----	Office -----	Present Principal Occupation or Employment -----
George J. Gillespie, III Cravath, Swaine & Moore 825 Eighth Avenue New York, NY 10019	Director	Partner in Cravath, Swaine & Moore
John D. Gillespie White Mountains Holdings, Inc. 80 South Main Street Hanover, NH 03755	Director	Self Employed
K. Thomas Kemp White Mountains Insurance Group, Inc. 80 South Main Street Hanover, NH 03755	President, Chief Executive Officer & Director	President and Chief Executive Officer
Gordon S. Macklin 8212 Burning Tree Road Bethesda, MD 20817	Director	Retired
Frank A. Olson The Hertz Corporation 225 Brae Boulevard Park Ridge, NJ 07656	Director	Chairman of the Board & Chief Executive Officer of The Hertz Corporation
Michael S. Paquette White Mountains Insurance Group, Inc. 80 South Main Street Hanover, NH 03755	Sr. Vice President & Controller	Sr. Vice President & Controller
David G. Staples White Mountains Insurance Group, Inc. 80 South Main Street Hanover, NH 03755	Vice President-Taxation	Vice President-Taxation

WMH

All officers and directors of WMIG (as shown above) hold the same positions in WMH.

SCHEDULE I TO SCHEDULE 13D (CONT.)

Name and Business Address -----	Office -----	Present Principal Occupation or Employment -----
WMSC		
Michael C. Allemang Source One Mortgage Services Corporation PO Box 2005 Farmington Hills, MI 48333-2005	Executive Vice President, Chief Financial Officer, Secretary and Director	Executive Vice President, Chief Financial Officer, Secretary and Director
Raymond Barrette (see above)	Director	(see above)
Terry L. Baxter (see above)	Chairman	(see above)
Michael S. Paquette (see above)	President and Director	(see above)
David G. Staples (see above)	Vice President	(see above)