SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

/X/ Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 1998

OR

/ / Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the transition period from -------------------- to -------------------

Commission file number 1-8993

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

FOLKSAMERICA HOLDING COMPANY
401(K) SAVINGS AND INVESTMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

WHITE MOUNTAINS INSURANCE GROUP, INC.
(formerly "Fund American Enterprises Holdings, Inc.")
80 South Main Street
Hanover, New Hampshire 03755-2053
(603) 643-1567

EXPLANATORY NOTE

This Annual Report on Form 11-K is being filed so that it may be incorporated by reference into a Registration Statement on Form S-8 which White Mountains Insurance Group, Inc. (formerly "Fund American Enterprises Holdings, Inc.") is filing with respect to shares of Common Stock, $1.00 par value per share, of White Mountains Insurance Group, Inc. issuable under the Plan.

INFORMATION FILED

The following financial statements and exhibit are filed with, and included in, this Report:

99(A). Financial statements for the Plan consisting of:

1. Report of Independent Accountants;

2. Statements of Net Assets Available for Plan Benefits as of December 31, 1998 and 1997;

3. Statements of Changes in Net Assets Available for Plan Benefits for the years ended December 31, 1998 and 1997;

4. Notes to Financial Statements;

5. Schedule of Assets held for Investment Purposes; and

6. Schedule of Reportable Transactions.

SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Folksamerica Holding Company
401(k) Savings and Investment Plan (the "Plan")

Date: July 9, 1999

By:

Name: Steve E. Fass
Title: Member - Plan Investment Committee

and:

Name: Michael Tyburski
Title: Member - Plan Investment Committee

and:

Name: Hellen Dell
Title: Member - Plan Investment Committee

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99(A)	Financial statements for the Plan consisting of: 1. Report of Independent Accountants; 2. Statement of Net Assets Available For Plan Benefits as of December 31, 1998 and 1997; 3. Statement of Changes in Net Assets Available for Plan Benefits for the years ended December 31, 1998 and 1997; 4. Notes to Financial Statements; 5. Schedule of Assets Held for Investment Purposes; and 6. Schedule of Reportable Transactions.

FOLKSAMERICA HOLDING COMPANY
401(K) SAVINGS AND INVESTMENT PLAN
FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 1998 AND 1997

FOLKSAMERICA HOLDING COMPANY
401 (K) SAVINGS AND INVESTMENT PLAN
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REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustee and Participants of the Folksamerica Holding Company 401(k) Savings and Investment Plan:

In our opinion, the accompanying statements of net assets available for plan benefits and the related statements of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for Plan benefits of the Folksamerica Holding Company 401(k) Savings and Investment Plan (the "Plan") at December 31, 1998 and 1997, and the changes in its net assets available for Plan benefits for the years ended December 31, 1998 and 1997 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"). These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The schedule of assets held for investment purposes that accompanies the Plan's financial statements does not disclose the historical costs of certain Plan assets held by the Plan trustee. Disclosure of this information is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

June 18, 1999

/s/ PricewaterhouseCoopers LLP

FOLKSAMERICA HOLDING COMPANY
401 (K) SAVINGS AND INVESTMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 1998 AND 1997

	1998	1997
Investments:		
Funds on deposit with Merrill Lynch Trust Company of New York	$8,084,128	$8,818,058
Loans to participants	267,161	337,237
Total Investments	8,351,289	9,155,295
Receivables:		
Employer contributions		25,993
Participant contributions		33,213
Net assets available for plan benefits	$8,351,289	$9,214,501

See accompanying notes to financial statements

FOLKSAMERICA HOLDING COMPANY
401 (K) SAVINGS AND INVESTMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997
Additions to net assets attributed to:		
Interest and dividend income	$ 432,034	$ 793,521
Net (depreciation) appreciation in fair value of investments	(514,270)	404,725
Net investment income	(82,236)	1,198,246
Contributions:		
Employer contributions	377,562	354,665
Participant contributions and rollovers	470,723	2,639,456
Other increases	534	7,992
	848,819	3,002,113
Total additions	766,583	4,200,360
Deductions from net assets attributed to:		
Benefits paid to participants	1,562,592	902,192
Other decreases	67,203	49,892
Net (decrease) increase in net assets available for plan benefits	(863,212)	3,248,276
Net assets available for plan benefits:		
Beginning of year	9,214,501	5,966,225
End of year	$ 8,351,289	$ 9,214,501

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

1. THE PLAN:

DESCRIPTION OF PLAN

The following brief description of the Folksamerica Holding Company 401(k) Savings and Investment Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information. Participants in the Plan include employees of Folksamerica Holding Company, Inc. (the "Company").

The Plan was originally established on January 1, 1981 to provide retirement benefits for eligible employees of the Company. The Plan was amended on October 1, 1994 to reflect a change in asset managers.

The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Company contributes to the Plan the total amount of salary reduction an employee elects to defer. Employees may elect to defer from 1% to 12% of their monthly salary (limited to an annual maximum of $10,000 and $9,500 in 1998 and 1997, respectively). The Company provides matching contributions equal to 100% of an employee's elective contribution up to six (6) percent of an employee's contributed compensation. The Company may also choose to make additional discretionary contributions to the Plan.

The Plan is sponsored and administered by the Company (the "Plan Administrator"). The Company has appointed Merrill Lynch Trust Company of New York as trustee who is responsible for the management of the Plan's assets. Expenses related to the administration of the Plan are paid by the Company.

ELIGIBILITY AND PARTICIPATION

Employees of the Company must complete one (1) year of service and have attained the age of 18 to become eligible for participation in the Plan. A year of service is defined as a twelve consecutive month period, beginning on the employee's date of hire, during which he or she completes 1,000 hours of service. An hour of service is any hour the employee works for the Company and is entitled to payment from the Company. An employee becomes a member of the Plan on the entry date coincident with or next following the date that he or she meets the eligibility requirements.

Rollover contributions represent vested account balances transferred by participants of the Plan from other Plans.

VESTING

Participants are always 100% vested in employee contributions and rollover contributions plus net investment income earned on these amounts.

The Plan provides for full (100%) vesting of the Company's contributions. Participants become vested in Company contributions based on years of services as follows:

YEARS OF SERVICE	PERCENTAGE
1	0%
2	25%
3	50%
4	75%
5	100%

TRANSFERS

Participants are permitted to change the investment of their interests in any of the funds on a daily basis subject to certain limits.

FORFEITURES

Plan participants who terminate employment for reasons other than retirement, death, or disability will receive the vested portion of their account only. Amounts forfeited due to terminations of employment will be used to reduce the Company's future contributions to the Plan.

PARTICIPANT LOANS

The Plan allows loans to participants up to a maximum amount of 50% of the participant's vested balance not to exceed $50,000. Loan provisions provide for a term generally not to exceed five years, with interest rates and repayment schedules to be determined by the Plan Administrator. The interest rates on participant loans outstanding at December 31, 1998 range from 7% to 8%.

PAYMENT OF BENEFITS

Each participant's accrued benefits, including allocations of Plan earnings, may be paid to the participant upon retirement, death, disability, resignation, discharge, or proven hardship. The normal form of benefit payable under this Plan is a lump sum.

ASSET MANAGEMENT

The trustee of the plan is also the record keeper and custodian of the Plan's assets.

PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to suspend contributions, to discontinue contributions, or to terminate the Plan at any time. In the event of termination, the accounts of the members of the Plan are fully vested and nonforfeitable.

NOTES TO FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION

The accompanying statements of net assets available for plan benefits and changes in net assets available for plan benefits have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the changes in net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.

RISKS AND UNCERTAINTIES

The plan provides for investment options in mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participant's account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

INVESTMENTS

The Plan provides for participant-directed investment programs with Merrill Lynch Trust Company of New York. During 1998 the Company added several funds to the Plan, to enhance options available to employees. A description of the investment funds of the Plan are set forth in each Fund's prospectus.

The Plan's investments are stated at fair value, based on the quoted market price on the last business day of the Plan year.

Pooled separate account balances are recorded at fair value and increase and decrease with contributions, withdrawals, and realized and unrealized gains and losses from the assets in the accounts. The value of each separate account is determined at the close of each business day based on market values of the underlying assets. Gain or loss on investments in pooled separate accounts sold during the year is based on their inventory value (market value at the beginning of the period or cost if purchased prior to the beginning of the period).

Increase or decrease in the value of investments held in pooled separate accounts at year end is based on the difference between the market value of such investments at the end of the year and their inventory value.

Contributions from the participants and the employer are recorded in the period in which the payroll deductions are made from Plan participants' paychecks. Funds are remitted to the Plan monthly.

Loans to participants are stated at cost less principal pay downs.

The Plan presents in the statements of changes in net assets available for plan benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and unrealized appreciation (depreciation) on those investments.

INCOME TAXES

On January 1, 1981, and again on January 26, 1994, the Internal Revenue Service approved qualification of the form of the Plan under the provisions of Section 401(k) and 401(a) of the Internal Revenue Code (the "Code"). The Plan has subsequently been amended. The Plan administrator believes that the Plan, as amended, is designed and is being operated in compliance with the applicable requirements of the Code and, therefore, has not applied for a new determination letter.

3. INVESTMENTS

Investments, at fair value, that represent five percent or more of the Plan's net assets at December 31, 1998 and 1997 are separately identified as follows:

	1998	1997
Merrill Lynch Retirement Preservation Trust Fund	$2,778,197	$2,140,434
Merrill Lynch Global Allocation Fund	637,435	695,612
Merrill Lynch Capital Fund	2,338,815	2,439,538
Merrill Lynch Growth Fund	1,394,550	2,821,562
Merrill Lynch Equity Index Fund	716,168	644,978
	$7,865,165	$8,742,123

Each participant's account is credited with the participant's contributions, which include amounts transferred from other Plans. Participant contributions for 1997 include $2,181,615 of assets transferred from the former Christiania General Insurance Corp. of New York ("CGIC") 401(k) Savings & Investment Plan into the Plan. CGIC was acquired by the Company in June, 1996.

The accounts of the former CGIC employees were initially allocated to Plan funds that were similar to those under the previous plan. The employees were then allowed to change the investment of their interest in any of the funds in accordance with the terms of the Plan.

4. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500:

Total contributions:	
Balance per financial statements	$ 848,819
Contributions receivable	59,206
Classification difference	(768)
Balance per Form 5500	$ 907,257
Total investment income:	
Balance per financial statements	$ (82,236)
Classification difference	(591)
Balance per Form 5500	$ (82,827)
Net assets available for plan benefits - beginning of year	
Balance per financial statements	$ 9,214,501
Contributions receivable	(59,206)
CMA Money Fund	(7,671)
Balance per Form 5500	$ 9,147,624
Total Benefits paid:	
Balance per financial statements	$ 1,629,795
CMA Money Fund	(7,671)
Classification difference	(1,359)
Balance per Form 5500	$ 1,620,765

5. ALLOCATION OF NET ASSETS

The Plan provides for funds to be invested in separate investment programs. Following are the changes in net assets available during 1998 and 1997 as allocated to the separate investment programs:

NOTES TO FINANCIAL STATEMENTS (continued)

Allocation of Net Assets

Pooled Separate Accounts

1998	Merrill Lynch Retirement Preservation Trust Fund	Merrill Lynch Global Allocation Fund	Merrill Lynch Capital Fund	Merrill Lynch Special Value Fund	Merrill Lynch Growth Fund	Davis Venture II Fund	Ivy Int'l Fund	Merrill Lynch Equity Index Return Fund
Additions to net assets:								
Employer contributions	$ 96,818	$ 70,866	$ 59,842	$ 16,823	$ 105,644	$ 5,505	$ 1,958	$ 43,608
Participant contributions	123,036	83,635	76,077	20,444	134,273	5,844	2,450	53,170
Participant rollovers	0	973	973	487				
Investment income	153,658	76,495	145,745	8,109	33,232	2,231	247	894
Net (depreciation) appreciation of investments	(36)	(70,996)	(10,954)	(34,803)	(557,454)	3,165	(1,155)	162,021
Loan repayment	22,699	23,687	9,398	4,409	33,308	616	734	8,532
Other increases	89	98	35	2	98	1	1	212
Total additions	396,264	184,757	281,116	14,983	(250,412)	17,362	4,234	268,437
Deductions from net assets:								
Benefit payments	1,002,976	45,387	170,692	1,017	298,883			5,787
Loan issuances	26,013	15,918	9,431	640	12,774	266	253	734
Other decreases	58,765	91	32	2	85	1	1	235
Net increase (decrease) in assets available for plan benefits	(691,491)	123,362	100,962	13,324	(562,154)	17,095	3,981	261,680
Net assets transferred by participant directive	1,329,253	(181,539)	(201,684)	(60,365)	(864,858)	85,159	9,527	(190,491)
Net assets available for plan benefits:								
Beginning of year	2,140,434	695,612	2,439,538	67,942	2,821,562	--	--	644,978
End of year	$2,778,197	$ 637,435	$2,338,815	$ 20,901	$1,394,550	$102,254	$13,508	$ 716,168

	PIMCO Total Return Fund	Other	Loan Fund	Contributions Receivable	Total
Additions to net assets:					
Employer contributions	$ 2,491	$	$	$ (25,993)	$ 377,562
Participant contributions	2,573			(33,213)	468,290
Participant rollovers					2,433
Investment income	4,531	817	6,076		432,034
Net (depreciation) appreciation of investments	(4,057)				(514,270)
Loan repayment	681		(104,063)		
Other increases		1			534
Total additions	6,219	818	(97,987)	(59,206)	766,583
Deductions from net assets:					
Benefit payments		(414)	38,265		1,562,592
Loan issuances	146		(66,175)		
Other decreases		7,992			67,203
Net increase (decrease) in assets available for plan benefits	6,072	(6,751)	(70,076)	(59,206)	(863,212)
Net assets transferred by participant directive	74,997				
Net assets available for plan benefits:					
Beginning of year	--	7,992	337,237	(59,206)	9,214,501
End of year	$81,070	$ 1,231	$ 267,161		$8,351,289

NOTES TO FINANCIAL STATEMENTS (continued)

Allocation of Net Assets

Pooled Separate Accounts

1997	Phoenix Fund	Merrill Lynch Retirement Preservation Trust	Merrill Lynch Global Allocation Fund	Merrill Lynch Capital Fund	Merill Lynch Special Value Fund	Merrill Lynch Growth Fund
Additions to net assets:						
Employer contributions	26,905	79,075	63,952	52,050	$ 3,040	$ 100,752
Participant contributions	31,404	103,785	81,578	66,356	3,997	134,259
Participant rollovers						
Investment Income	50,132	97,406	103,788	283,474	3,988	223,929
Net (depreciation) appreciation of investments	40,433	2,214	(27,360)	161,788	(6,271)	237,020
Loan repayments	8,071	25,556	29,476	28,959	2,167	57,782
Other increases						
Total additions	156,945	308,036	251,434	592,627	6,922	753,742
Deductions from net assets:						
Benefit payments	18,807	458,441	56,417	101,859		237,290
Loan issuances	12,398	18,082	35,174	81,297		39,285
Other decreases	2,967	11,208	11,526	8,920	153	14,750
Net increase (decrease) in assets available for plan benefits	122,773	(179,696)	148,317	400,551	6,769	462,417
Net assets transferred by participant directive	(376,133)	1,491,299	53,197	(51,017)	61,173	366,813
Net assets available for plan benefits:						
Beginning of year	253,360	828,831	494,098	2,090,004	--	1,992,332
End of year	$ --	$ 2,140,434	$ 695,612	$ 2,439,538	$ 67,942	$ 2,821,562

	Merrill Lynch Equity Index Fund	Other	Loan Fund	Contributions Receivable	Total
Additions to net assets:					
Employer contributions	$ 2,898			$ 25,993	$ 354,665
Participant contributions	3,247			33,213	457,841
Participant rollovers		2,181,615			2,181,615
Investment Income	342	5,479	24,984		793,521
Net (depreciation) appreciation of investments	(3,099)				404,724
Loan repayments	196		(152,207)		
Other increases		7,992			7,992
Total additions	3,584	2,195,086	(127,223)	59,206	4,200,360
Deductions from net assets:					
Benefit payments			29,376		902,192
Loan issuances			(186,237)		
Other decreases	368				49,892
Net increase (decrease) in assets available for plan benefits	3,216	2,195,086	29,637	59,206	3,248,276
Net assets transferred by participant directive	641,762	(2,187,094)			
Net assets available for plan benefits:					
Beginning of year	--	--	307,600	--	5,966,225
End of year	$ 644,978	$ 7,992	$ 337,237	$ 59,206	$9,214,501

FOLKSAMERICA HOLDING COMPANY
401(k) SAVINGS AND INVESTMENT PLAN
LINE 27A - SUPPLEMENTAL DATA REQUIRED BY THE DEPARTMENT OF LABOR
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 1998

Identity of Issue, Borrower	Description Of Investment	Cost	Current Value
Merrill Lynch Trust Company of New York	Merrill Lynch Retirement Preservation Trust Fund	$2,778,197	$2,778,197
	Merrill Lynch Global Allocation Fund	(1)	637,435
	Merrill Lynch Capital Fund	(1)	2,338,815
	Merrill Lynch Special Value Fund	(1)	20,901
	Merrill Lynch Growth Fund	(1)	1,394,550
	Davis Venture Fund II	(1)	102,254
	Ivy International Fund	(1)	13,508
	Merrill Lynch Equity Index Fund	(1)	716,168
	PIMCO Total Return Fund	(1)	81,070
	Other	(1)	1,231
		$2,778,197	$8,084,128
Participant loans	Interest rate, 7% to 8%	$ 267,161	$ 267,161

(1) Cost not available

FOLKSAMERICA HOLDING COMPANY
401(k) SAVINGS AND INVESTMENT PLAN
SUPPLEMENTAL DATA REQUIRED BY THE DEPARTMENT OF LABOR
ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS.
FOR THE YEAR ENDED DECEMBER 31, 1998

The following represents any transactions or series of transactions during 1998 which included an amount in excess of five percent of the current value of Plan assets as of December 31, 1997:

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Number of Transactions
Merrill Lynch Trust Co. of New York	Merrill Lynch Retirement Preservation Trust Fund	$644,223	$	$ 644,223	$ 644,223	NA
	Merrill Lynch Growth Fund		620,451	648,153	620,451	NA
	Merrill Lynch Retirement Preservation Trust Fund		1,159,202	1,159,202	1,159,202	NA
	Merrill Lynch Growth Fund		$ 576,263	$ 679,539	$ 576,263	NA