

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
(FINAL AMENDMENT)

CURRENT REPORT

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

AUGUST 18, 1998
Date of Report (Date of earliest event reported)

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

DELAWARE (State or other jurisdiction of incorporation or organization)	1-8993 (Commission file number)	94-2708455 (I.R.S. Employer Identification No.)
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80 SOUTH MAIN STREET, HANOVER, NEW HAMPSHIRE 03755
(Address of principal executive offices)

(603) 643-1567
(Registrant's telephone number, including area code)

This Final Amendment amends and supplements the Form 8-K Current Report originally filed on August 18, 1998, relating to the Company's acquisition of all the outstanding common stock of Folksamerica Holding Company, Inc. ("Folksamerica") that it did not previously own. Folksamerica is the parent company of Folksamerica Reinsurance Company.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

Item 7 is hereby amended by adding the following information:

(a) Financial Statements of Businesses Acquired.

Unaudited historical condensed consolidated financial statements of Folksamerica and its subsidiaries as of December 31, 1997 and June 30, 1998 and for the three and six-month periods ended June 30, 1998 and 1997, filed as Exhibit 99(a) hereto.*

Audited historical consolidated financial statements of Folksamerica and its subsidiaries as of December 31, 1997 and 1996 and for each of the three years in the period ended December 31, 1997, including the report of PricewaterhouseCoopers LLP, filed as Exhibit 99(b) hereto.*

(b) Pro Forma Financial Information.

Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma balance sheet as of June 30, 1998, a pro forma income statement for the six months ended June 30, 1998 and a pro forma income statement for the twelve months ended December 31, 1997, together with the notes thereto, filed as Exhibit 99(c) hereto.*

Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma income statement for the year ended December 31, 1998, together with the notes thereto, filed as Exhibit 99(d) hereto.

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

EXHIBIT NO. -----	DESCRIPTION -----
10 (a)	Stock Purchase Agreement dated as of July 1, 1998, by and among Fund American Enterprises Holdings, Inc., White Mountains Holdings, Inc. and the Sellers (as defined therein).*
10	(b) Assignment and Assumption Agreement dated as of August 18, 1998, by and among Folksam Omnesidig Sakforsakring, Samvirke Skadeforsikring AS and Fund American Enterprises Holdings, Inc.*
23 (a)	Consent of PricewaterhouseCoopers LLP*

- 99 (a) Unaudited historical condensed consolidated financial statements of Folksamerica and its subsidiaries as of December 31, 1997 and June 30, 1998 and for the three and six-month periods ended June 30, 1998 and 1997.*
- 99 (b) Audited historical consolidated financial statements of Folksamerica and its subsidiaries as of December 31, 1997 and 1996 and for each of the three years in the period ended December 31, 1997, including the report of PricewaterhouseCoopers LLP.*
- 99 (c) Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma balance sheet as of June 30, 1998, a pro forma income statement for the six months ended June 30, 1998 and a pro forma income statement for the twelve months ended December 31, 1997, together with the notes thereto.*
- 99 (d) Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma income statement for the year ended December 31, 1998, together with the notes thereto, filed as Exhibit 99(d) hereto.

* previously filed

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: April 6, 1999

By: _____ /s/

Michael S. Paquette
Senior Vice President and
Controller

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
10 (a)	Stock Purchase Agreement dated as of July 1, 1998, by and among Fund American Enterprises Holdings, Inc., White Mountains Holdings, Inc. and the Sellers (as defined therein).*
10 (b)	Assignment and Assumption Agreement dated as of August 18, 1998, by and among Folksam Omsesidig Sakforsakring, Samvirke Skadeforsikring AS and Fund American Enterprises Holdings, Inc.*
23 (a)	Consent of PricewaterhouseCoopers LLP*
99 (a)	Unaudited historical condensed consolidated financial statements of Folksamerica and its subsidiaries as of December 31, 1997 and June 30, 1998 and for the three and six-month periods ended June 30, 1998 and 1997.*
99 (b)	Audited historical consolidated financial statements of Folksamerica and its subsidiaries as of December 31, 1997 and 1996 and for each of the three years in the period ended December 31, 1997, including the report of PricewaterhouseCoopers LLP.*
99 (c)	Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma balance sheet as of June 30, 1998, a pro forma income statement for the six months ended June 30, 1998 and a pro forma income statement for the twelve months ended December 31, 1997, together with the notes thereto.*
99 (d)	Unaudited pro forma condensed combined financial statements of the Registrant and its subsidiaries consisting of a pro forma income statement for the year ended December 31, 1998, together with the notes thereto.

* previously filed

FUND AMERICAN ENTERPRISES HOLDINGS, INC.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information of Fund American Enterprises Holdings, Inc. and its subsidiaries ("Fund American") is being presented in connection with Fund American's purchase, on August 18, 1998, of all the outstanding common stock of Folksamerica Holding Company, Inc. and its subsidiaries ("Folksamerica") that it did not previously own (the "Transaction").

The accompanying unaudited pro forma condensed combined income statement of Fund American for the year ended December 31, 1998 (the "pro forma income statement") present the results for Fund American as if the Transaction had occurred as of January 1, 1998. The pro forma income statement does not purport to represent what Fund American's results of operations actually would have been had the Transaction in fact occurred as of the date indicated, or to project Fund American's results of operations for any future date or period. The pro forma adjustments are based on available information and certain assumptions that Fund American currently believes are reasonable under the circumstances. The unaudited pro forma financial information should be read in conjunction with: (i) Fund American's Annual Report on Form 10-K for the year ended December 31, 1998; (ii) Fund American's Quarterly Report on Form 10-Q for the three and nine month periods ended September 30, 1998; (iii) the separate historical financial statements of Folksamerica as of June 30, 1998 and for the three and six month periods ended June 30, 1998 (previously filed); and (iv) the separate historical financial statements of Folksamerica as of December 31, 1997 and 1996 and for each of the three years in the period ended December 31, 1997 (previously filed).

The pro forma adjustments and pro forma combined amounts are provided for informational purposes only. Fund American's financial statements will reflect the actual effects of the Transaction only from the date the Transaction occurred. The pro forma adjustments contained herein assume that the tax rate is 35%, the maximum Federal statutory rate for corporations.

FUND AMERICAN ENTERPRISES HOLDINGS, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
INCOME STATEMENT
(in millions of dollars)

- A. Pro forma adjustment to eliminate Folksamerica's results of operations for the period from August 18, 1998 to December 31, 1998, the period during which Folksamerica was a consolidated subsidiary of Fund American.
- B. Pro forma adjustment to eliminate Fund American's equity in earnings of Folksamerica and preferred stock dividends received from January 1, 1998 to December 31, 1998.
- C. Pro forma adjustment to reflect a reduction in net investment income earned on the portion of short-term investment balances deemed to have partially financed the Transaction (\$27.0 million). The consolidated pro forma income information assumes that the annualized yield on short-term investments used to partially fund the Transaction was 5.50% for the period from January 1, 1998 to August 18, 1998.
- D. Pro forma adjustment to reflect additional interest expense associated with the monies borrowed under Fund American's existing debt arrangements (\$50.0 million) to partially fund the Transaction. The consolidated pro forma income information assumes that the annualized applicable interest rate on such indebtedness was 6.04% for the period from January 1, 1998 to August 18, 1998.
- E. Pro forma adjustment to reflect the amortization of the net change in goodwill and the related incremental deferred credit associated with the Transaction (\$7.9 million) for the period from January 1, 1998 to August 18, 1998. Fund American's amortization period is expected to be five years.
- F. Adjustment to reflect the income tax effects of B, C and D above.

FUND AMERICAN ENTERPRISES HOLDINGS, INC.
 UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1998
 (in millions of dollars)

REVENUES	Pro Forma Adjustments				
	Fund American	Folksamerica	Eliminations [A]	for the Transaction	Pro Forma Combined
Net written premiums	\$ 238.6	\$ 212.6	\$ (73.7)		\$ 377.5
Change in unearned insurance premiums	7.4	25.5	(11.7)		21.2
Earned insurance premiums	246.0	238.1	(85.4)	--	398.7
Earnings from unconsolidated ins affiliates	24.3	--		(5.6)[B]	18.7
Other ins operations revenues	12.2	--			12.2
Gross mortgage servicing revenue	78.1	--			78.1
Amortization and impairment of servicing	(55.2)	--			(55.2)
Gain on financial instruments	20.4	--			20.4
Net mortgage servicing revenue	43.3	--	--	--	43.3
Net gain on sales of mortgages	86.8	--			86.8
Gain on sale of mortgage servicing	15.2	--			15.2
Other mortgage servicing revenues	31.9	--			31.9
Net investment income	118.4	49.8	(18.1)	(0.9)[C]	149.2
TOTAL REVENUES	\$ 578.1	\$ 287.9	\$ (103.5)	\$ (6.5)	\$ 756.0
EXPENSES					
Ins losses and loss adj expenses	\$ 174.8	\$ 170.3	\$ (59.8)		\$ 285.3
Compensation and benefits	130.2	14.9	(7.1)		138.0
Insurance and reinsurance acquisition expenses	54.8	74.2	(29.1)		99.9
Interest expense	83.9	3.8	(1.4)	1.9 [D]	88.2
General expenses	75.4	(3.8)	1.4	(1.0)[E]	72.0
TOTAL EXPENSES	519.1	259.4	(96.0)	0.9	683.4
PRETAX OPERATING EARNINGS	59.0	28.5	(7.5)	(7.4)	72.6
Net realized investment gains	71.0	7.3	0.8	--	79.1
PRETAX EARNINGS	130.0	35.8	(6.7)	(7.4)	151.7
Income tax provision	47.8	8.5	(1.2)	(2.1)[F]	53.0
NET INCOME	82.2	27.3	(5.5)	(5.3)	98.7
Other comprehensive income, after tax	(8.9)	26.0	(16.3)	--	0.8
COMPREHENSIVE NET INCOME	\$ 73.3	\$ 53.3	\$ (21.8)	\$ (5.3)	\$ 99.5
Less preferred stock dividends	(3.7)	(4.3)	--	4.3 [B]	(3.7)
Net income applicable to common stock	\$ 78.5	\$ 23.0	\$ (5.5)	\$ (1.0)	\$ 95.0
Comprehensive net income applicable to common stock	\$ 69.6	\$ 49.0	\$ (21.8)	\$ (1.0)	\$ 95.8
Basic earnings per common share:					
Net income	\$ 13.38				\$ 16.19
Comprehensive net income	11.87				16.33
Diluted earnings per common share:					
Net income	\$ 11.94				\$ 14.46
Comprehensive net income	10.58				14.59