SWAYNE GUY
Form 4
March 19, 2012

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN 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

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
SWAYNE GUY

(Last) (First) (Middle)

FLAGSTONE REINSURANCE HOLDINGS, S.A., 65 AVENUE DE LA GARE

(Street)

LUXEMBOURG, N4 L-1611

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Flagstone Reinsurance Holdings, S.A. [FSR]

3. Date of Earliest Transaction (Month/Day/Year)
03/15/2012

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Exec. VP -- Flagstone Bermuda

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	03/15/2012(1)		A		117,398 (2)	A	$ 0	357,092	I	By trust (3)
Common Shares								10,000	I	By wife (4)

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SWAYNE GUY FLAGSTONE REINSURANCE HOLDINGS, S.A. 65 AVENUE DE LA GARE LUXEMBOURG, N4 L-1611			Exec. VP -- Flagstone Bermuda	

Signatures

/s/ William F. Fawcett, by power of attorney	03/19/2012
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 4(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) The Performance Share Units ("PSUs") vested on January 1, 2012; however, settlement of any shares took place following the calculation of the factor described in footnote (2). The factor used to determine the number of common shares awarded was determined following the filing of the Company's annual report on Form 10-K on March 13, 2012.

(2) Vesting of PSUs is contingent on the reporting person's continued employment with Flagstone Reinsurance Holdings SA (the "Company") and the Company meeting certain fully diluted return-on-equity ("FDROE") goals. Upon vesting, the PSU holder is entitled to receive a number of common shares of the Company (or the cash equivalent, at the election of the Company) equal to the product of the number of PSUs granted multiplied by a factor based on the Company's FDROE during the vesting period. The factor ranges between 0.5 and 1.5, depending on the FDROE achieved during the vesting period. Based on the FDROE achieved during the relevant period, the number of common shares awarded was determined by multiplying the number of PSUs by a factor of 0.5.

(3) Held in trust for the benefit of others, and the Reporting Person disclaims beneficial ownership of securities held in trust.

(4) The Reporting Person disclaims beneficial ownership of the shares held by his wife.

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