

Mandava Venkateswara Rao  
 Form 3  
 March 09, 2009

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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

(Print or Type Responses)

1. Name and Address of Reporting Person *			2. Date of Event Requiring Statement		3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Mandava Venkateswara Rao			(Month/Day/Year)		Flagstone Reinsurance Holdings Ltd [FSR]	
(Last)	(First)	(Middle)	02/26/2009		4. Relationship of Reporting Person(s) to Issuer	
CRAWFORD HOUSE, 23					5. If Amendment, Date Original Filed(Month/Day/Year)	
CHURCH STREET					(Check all applicable)	
(Street)					<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below) Chief Investment Officer	
HAMILTON,Â D0Â HM 11					6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)			<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable    Expiration Date	Title                      Amount or Number of Shares			

(Instr. 5)

Performance Share Units	01/01/2011 <sup>(1)</sup>	03/31/2011 <sup>(2)</sup>	Common Shares	54,497 <sup>(3)</sup>	\$ 0 <sup>(4)</sup>	D	Â
Performance Share Units	01/01/2012 <sup>(1)</sup>	03/31/2012 <sup>(2)</sup>	Common Shares	35,000 <sup>(3)</sup>	\$ 0 <sup>(4)</sup>	D	Â
Performance Share Units	01/01/2012 <sup>(1)</sup>	03/31/2012 <sup>(2)</sup>	Common Shares	54,497 <sup>(3)</sup>	\$ 0 <sup>(4)</sup>	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Mandava Venkateswara Rao CRAWFORD HOUSE, 23 CHURCH STREET HAMILTON,Â D0Â HM 11	Â	Â	Â Chief Investment Officer	Â

## Signatures

/s/ Jean-Paul Dyer for Venkateswara  
Mandava

03/09/2009

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) These Performance Share Units ("PSUs") would vest, subject to the contingency described in note 4 below and the other terms and conditions of the issuer's PSU Plan, on the date shown.
- (2) Assumes the issuer will settle these PSUs within three months of the vesting date.
- (3) Represents the mid-point of the vesting range described in note 4 below for these PSUs.

- Vesting of Performance Share Units ("PSUs") is contingent upon the reporting person's continued employment with Flagstone Reinsurance Holdings Limited (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 with respect to the current PSUs granted will range between 0.5 and 1.5, depending on the FDROE achieved during the vesting period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.