

COMMONWEALTH INSURANCE CO
Form 4
December 27, 2010

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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).

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN

(Last) (First) (Middle)

95 WELLINGTON STREET WEST, SUITE 800

(Street)

TORONTO, ONTARIO, A6 M5J 2N7

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
AbitibiBowater Inc. [ABH]

3. Date of Earliest Transaction
(Month/Day/Year)
12/22/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X 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 Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Stock, \$0.001 par value (?Common Shares?)	12/22/2010		J ⁽¹⁾	13,182,494 A 11	13,182,494	I	See footnote <u>(2)</u>

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

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.

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 Security (Instr. 3 and 4)
8.0% Convertible Notes due 2013 (?Notes?)	(3)	12/22/2010		J	\$ 368,861,110 (5)	10/15/2008 (4)	Common Stock, \$1.00 par value (?Old Common Shares?)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, A6 M5J 2N7		X		
MARKEL INSURANCE CO OF CANADA 55 UNIVERSITY AVENUE SUITE 1500 TORONTO, ONTARIO, A6 M5J 2H7		X		
Federated Insurance CO of Canada 717 PORTAGE AVENUE WINNIPEG, MANITOBA, A2 R3C 3C9		X		
LOMBARD GENERAL INSURANCE CO OF CANADA 105 ADELAIDE STREET WEST 3RD FLOOR TORONTO, ONTARIO, A6 M5H 1P9		X		
Lombard Insurance CO 105 ADELAIDE STREET WEST 3RD FLOOR TORONTO, ONTARIO, A6 M5H 1P9		X		
COMMONWEALTH INSURANCE CO 595 BURRARD STREET SUITE 1500, BOX 49115 BENTALL TOWER III VANCOUVER, BC, A1 V7X 1G4		X		

Signatures

/s/ V. Prem Watsa, Chairman and Chief Executive Officer	12/27/2010
__Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	12/27/2010
__Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	12/27/2010
__Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	12/27/2010
__Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	12/27/2010
__Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	12/27/2010
__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).

In connection with the emergence from bankruptcy and reorganization of AbitibiBowater Inc. and certain of its affiliates, pursuant to the Second Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated as of November 23, 2010, among AbitibiBowater and certain of its affiliates and the debtors named therein (the "Plan"), (1) the reporting persons named herein received, in (1) partial consideration of their claims arising from their ownership of certain debt securities of AbitibiBowater Inc. and its affiliates, including the Notes, 13,182,494 Common Shares in the aggregate and (2) all of the outstanding Notes were canceled pursuant to the Plan for no cash consideration, in each case, in a transaction exempt pursuant to Rule 16b-7 under the Securities Exchange Act of 1934, as amended.

Following the transactions reported herein, 4,911,509 Common Shares are held by Fairfax Financial Holdings Limited, 3,667,903 Common Shares are held by Odyssey America Reinsurance Corporation, 1,265,588 Common Shares are held by The North River Insurance Company, 1,269,625 Common Shares are held by TIG Insurance Company, 539,984 Common Shares are held by Lombard (2) General Insurance Company of Canada, 295,303 Common Shares are held by Commonwealth Insurance Company, 465,682 Common Shares are held by Markel Insurance Company of Canada, 104,621 Common Shares are held by Federated Insurance Company of Canada, 84,373 Common Shares are held by Lombard Insurance Company, 252,400 Common Shares are held by United States Fire Insurance Company, and 325,506 Common Shares are held by Zenith Insurance Company.

The Notes were convertible into Old Common Shares based on an initial conversion rate of 100 Old Common Shares per \$1,000 principal (3) amount of Notes (equivalent to an initial conversion price of \$10.00 per Old Common Share), subject to adjustment under certain circumstances.

(4) The Notes were convertible into Old Common Shares at the option of the holder thereof at any time prior to the close of business on the business day immediately preceding 04/15/2013, which was the maturity date of the Notes.

(5) Aggregate principal amount of Notes.

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.