COMMONWEALTH INSURANCE CO
Form 4
October 17, 2008

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

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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 *
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)
10/15/2008

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amoun Underlying Securit (Instr. 3 and 4)

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)					
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nur Sha
8.0% Convertible Notes due 2013 (?Notes?)	(1)	10/15/2008	J(2)		$ 2,694,444 (5)		10/15/2008	(3)	Common Stock, $1.00 par value (?Shares?)	2(
8.0% Convertible Notes due 2013	(1)	10/15/2008	J(2)		$ 16,166,666 (5)		10/15/2008	(3)	Common Stock, $1.00 par value	1,6

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		
Northbridge Financial CORP 105 ADELAIDE STREET WEST 7TH FLOOR TORONTO, ONTARIO, A6 M5H 1P9		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		X		

SUITE 1500, BOX 49115 BENTALL TOWER III
VANCOUVER, A1 V7X 1G4

Signatures

/s/ Paul Rivett, Vice President	10/17/2008
**Signature of Reporting Person	Date
/s/ Craig Pinnock, Chief Financial Officer	10/17/2008
**Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	10/17/2008
**Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	10/17/2008
**Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	10/17/2008
**Signature of Reporting Person	Date
/s/ Craig Pinnock, Director	10/17/2008
**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 Notes are convertible into Shares based on an initial conversion rate of 100 Shares per $1,000 principal amount of Notes (equivalent to an initial conversion price of $10.00 per Share), subject to adjustment under certain circumstances.

(2) Pursuant to the terms of the Notes, AbitibiBowater Inc. elected to pay interest on the Notes on the 10/15/2008 interest payment date entirely by increasing the principal amount of the Notes in lieu of paying cash interest on the Notes.

(3) The Notes are convertible into 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, the maturity date of the Notes.

(4) Approximately $105.4 million aggregate principal amount of Notes is held by Odyssey America Reinsurance Corporation, $79.0 million aggregate principal amount of Notes is held by The North River Insurance Company, $52.7 million aggregate principal amount of Notes is held by TIG Insurance Company, $33.7 million aggregate principal amount of Notes is held by Lombard General Insurance Company of Canada, $18.4 million aggregate principal amount of Notes is held by Commonwealth Insurance Company, $11.9 million aggregate principal amount of Notes is held by Markel Insurance Company of Canada, $6.5 million aggregate principal amount of Notes is held by Federated Insurance Company of Canada, $5.3 million aggregate principal amount of Notes is held by Lombard Insurance Company and $3.2 million aggregate principal amount of Notes is held by pension plans of certain subsidiaries of Fairfax Financial Holdings Limited.

(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.
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