

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 2)*

Capital Re Corporation

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

140432 10 5

(CUSIP Number)

Philip R. Halverson, Minnesota Power, Inc., 30 W Superior St,
Duluth, MN 55802-2093, (218) 723-3964

(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications)

March 19, 1999

(Date of Event which Requires Filing this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box / /.

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. 140432 10 5

1 NAME OF REPORTING PERSON
 S.S. or I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Minnesota Power, Inc.
 4100418150

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP * (a) / /
 (b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS *
 WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS / /
 REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Minnesota

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER 7,091,480	-----
	8 SHARED VOTING POWER -0-	-----
	9 SOLE DISPOSITIVE POWER 7,091,480	-----
	10 SHARED DISPOSITIVE POWER -0-	-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 7,091,480

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 / /
 EXCLUDES CERTAIN SHARES *

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
 22.2%

14 TYPE OF REPORTING PERSON *
 CO

This Schedule 13D consists of 3 pages and 1 exhibit.

Item 2. Identity and Background

The attached Exhibit A amends the Exhibit A to the Amendment No. 1 of the original Schedule 13D filed by Minnesota Power, Inc. (Minnesota Power) with respect to purchase of the common stock of Capital Re Corporation (Common Stock) by adding information related to new executive officers and directors. Each director and executive officer is a citizen of the United States of America (with the exception of James P. Hallett who is a foreign executive working in this country under an I-485 visa which allows permanent residence and employment in the United States) and, in the last five years, has not been subject to proceedings described in paragraphs (c) and (d) above. As of the date hereof, no director or executive officer is the beneficial owner of Common Stock or is party to any agreements or arrangements with respect thereto. Minnesota Power is purchasing Common Stock on behalf of and in the name of its wholly owned subsidiary, MP Investments, Inc., a Delaware corporation formed to manage certain investments. No person, other than Minnesota Power as its sole shareholder, has the power to affect the policies of MP Investments, Inc.

Item 3. Source and Amount of Funds or Other Consideration

\$9,572,250.50 has been expended from Minnesota Power's working capital to purchase the Common Stock as described under Item 5(c) below.

Item 5. Interest in Securities of the Issuer

- (a) Aggregate number of shares of Common Stock owned indirectly by Minnesota Power and directly by MP Investments, Inc. 7,091,480
 Percent of Common Stock outstanding 22.2%
- (b) Sole power to vote 7,091,480
 Shared power to vote -0-
- Sole power to dispose 7,091,480
 Shared power to dispose -0-
- (c) Transactions in the Common Stock effected by Minnesota Power during the past 60 days are described below. The prices per share are exclusive of brokerage fees. All transactions were through a broker and executed on the New York Stock Exchange:

Date of Transaction	Number of Shares Purchased	Price Per Share
February 26, 1999	20,000	\$16.2500
March 1, 1999	2,000	\$16.7500
March 1, 1999	35,000	\$17.3036
March 2, 1999	5,000	\$18.0840
March 3, 1999	10,000	\$18.1250
March 4, 1999	10,000	\$18.5813
March 5, 1999	10,000	\$18.6250
March 8, 1999	9,300	\$18.6250
March 9, 1999	50,000	\$19.0000
March 10, 1999	12,200	\$19.0000
March 12, 1999	24,700	\$15.7500
March 18, 1999	105,000	\$16.6101
March 19, 1999	47,800	\$16.6695
March 22, 1999	4,500	\$16.4097
March 23, 1999	214,500	\$16.6875

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships to Securities of the Issuer

In December 1998 Minnesota Power transferred all shares of Common Stock to its newly formed wholly owned subsidiary MP Investments, Inc. MP Investments, Inc. was established to own and manage certain securities, including an equity ownership in Capital Re Corporation.

Signature

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

March 24, 1999

Minnesota Power, Inc.

Date

By: Philip R. Halverson

Philip R. Halverson
Vice President, General Counsel
and Secretary

March 24, 1999

MP Investments, Inc.

Date

By: David G. Gartzke

David G. Gartzke
Chairman and Chief
Executive Officer

Directors and Executive Officers of Minnesota Power

Name	Title at Minnesota Power	Principal Occupation/Business Address
Kathleen A. Brekken	Director	President & CEO Midwest of Cannon Falls 32057 - 64th Avenue, POB 20 Cannon Falls, MN 55009-0020
George L. Mayer	Director	President Manhattan Realty Group 178 Myrtle Boulevard, Suite 103 Larchmont, NY 10538-2035
Nick Smith	Director	Chairman Fryberger, Buchanan, Smith & Frederick, PA 700 Lonsdale Building Duluth, MN 55802-1863
Bruce W. Stender	Director	President & CEO Labovitz Enterprises 880 Missabe Building 227 W First Street Duluth, MN 55805-1913
John Cirello	Executive Vice President, and President and Chief Executive Officer -- MP Water Resources Group, Inc.	MP Water Resources Group, Inc. PO Box 609089 Orlando, FL 32860-9529
Donnie R. Crandell	Executive Vice President and President -- MP Real Estate Holdings, Inc.	Lehigh Corporation 226 East Joel Boulevard Lehigh, FL 33972-5295
Robert D. Edwards	Executive Vice President and President -- MP Electric	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
Brenda J. Flayton	Vice President -- Human Resources	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
John E. Fuller	Executive Vice President, and President and Chief Executive Officer -- AFC	Automotive Finance Corporation Two Parkwood Crossing 310 East 96th Street, Suite 300 Indianapolis, IN 46240-3736
David G. Gartzke	Senior Vice President -- Finance and Chief Financial Officer	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093

Directors and Executive Officers of Minnesota Power

Name	Title at Minnesota Power	Principal Occupation/Business Address
James P. Hallett	Executive Vice President, and President and Chief Executive Officer -- ADESA	ADESA Corporation Two Parkwood Crossing 310 East 96th Street, Suite 400 Indianapolis, IN 46240-3736
Philip R. Halverson	Vice President, General Counsel and Secretary	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
David P. Jeronimus	Vice President -- Environmental Services	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
James A. Roberts	Vice President -- Corporate Relations	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
Edwin L. Russell	Chairman, President, Chief Executive Officer and Director	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
Mark A. Schober	Controller	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
James K. Vizanko	Treasurer	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
Claudia Scott Welty	Vice President -- Information Technology	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093

Exhibit A (continued)

Directors and Executive Officers of MP Investments, Inc.

Name	Title at MP Investments, Inc.	Business Address
David G. Gartzke	Director, Chairman and Chief Executive Officer	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
Philip R. Halverson	Vice President, General Counsel and Secretary	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
Jeffrey F. Stuermer	Vice President and Treasurer	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093
James K. Vizanko	Director and Chief Financial Officer	Minnesota Power, Inc. 30 West Superior Street Duluth, MN 55802-2093