

MARKEL CORP  
Form 11-K  
June 16, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 11-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-15811

**MARKEL CORPORATION RETIREMENT SAVINGS PLAN**

(Full title of the plan and the address of the plan, if different from that of the issuer named below)

**MARKEL CORPORATION**

**4521 Highwoods Parkway**

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Glen Allen, Virginia 23060

(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

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**MARKEL CORPORATION RETIREMENT SAVINGS PLAN**

Financial Statements and Supplemental Schedule

December 31, 2010 and 2009

(With Report of Independent Registered Public Accounting Firm Thereon)

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**Report of Independent Registered Public Accounting Firm**

The Board of Directors

Markel Corporation

The Administrative Committee

Markel Corporation Retirement Savings Plan:

We have audited the accompanying statements of assets available for benefits of the Markel Corporation Retirement Savings Plan (the Plan) as of December 31, 2010 and 2009, and the related statements of changes in assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Richmond, Virginia

June 14, 2011

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**MARKEL CORPORATION RETIREMENT SAVINGS PLAN**

Statements of Assets Available for Benefits

December 31, 2010 and 2009

|                                    | <b>2010</b>    | <b>2009</b>    |
|------------------------------------|----------------|----------------|
| Investments, at fair value:        |                |                |
| Mutual funds                       | \$ 145,480,946 | \$ 126,920,300 |
| Markel Corporation common stock    | 65,841,508     | 60,574,740     |
| Total investments                  | 211,322,454    | 187,495,040    |
| Notes receivable from participants | 1,899,538      | 1,849,064      |
| Assets available for benefits      | \$ 213,221,992 | \$ 189,344,104 |

See accompanying notes to financial statements.

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## Statements of Changes in Assets Available for Benefits

Years ended December 31, 2010 and 2009

|  | 2010           | 2009           |
|--|----------------|----------------|
| Additions to assets attributed to:   |                |                |
| Net investment income:   |                |                |
| Net appreciation in fair value of investments                                  | \$ 20,344,158  | \$ 29,724,104  |
| Interest and dividends   | 2,291,419      | 2,115,192      |
| Total net investment income  | 22,635,577     | 31,839,296     |
| Contributions:   |                |                |
| Employer   | 9,619,508      | 9,295,688      |
| Participant  | 9,638,471      | 9,620,345      |
| Rollover   | 724,738        | 430,298        |
| Total contributions  | 19,982,717     | 19,346,331     |
| Interest income on notes receivable from participants                          | 100,275        | 117,142        |
| Total additions  | 42,718,569     | 51,302,769     |
| Deductions from assets attributed to participant distributions and withdrawals | (18,840,681)   | (12,357,345)   |
| Net increase   | 23,877,888     | 38,945,424     |
| Assets available for benefits:   |                |                |
| Beginning of year  | 189,344,104    | 150,398,680    |
| End of year  | \$ 213,221,992 | \$ 189,344,104 |

See accompanying notes to financial statements.

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**MARKEL CORPORATION RETIREMENT SAVINGS PLAN**

Notes to Financial Statements

December 31, 2010 and 2009

**(1) Summary of Significant Accounting Policies**

***(a) Basis of Presentation***

The accompanying financial statements, which present the assets of the Markel Corporation Retirement Savings Plan (the Plan) and changes in those assets, have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

***(b) Use of Estimates***

The preparation of financial statements in accordance with U.S. GAAP may require the plan administrator to make estimates and assumptions. Actual results may differ from the estimates and assumptions used in preparing the financial statements.

***(c) Investments***

The Plan's investments are stated at fair value. Investments in shares of mutual funds are valued according to the quoted net asset values of the funds based on the fair values of the assets and liabilities thereof. The fair value of Markel Corporation common stock is based upon the quoted market price of the stock as of the end of each year.

The change in the difference between the fair value and the cost of investments held at the beginning and end of each year, adjusted for realized gains or losses on investments sold during the year, is reflected in the Statements of Changes in Assets Available for Benefits as net appreciation in fair value of investments.

The cost of investments sold is determined on the basis of average cost. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

***(d) Notes Receivable from Participants***

Notes receivable from participants represent loans to participants made against their vested balances as permitted by the Plan. Notes receivable from participants are valued at the principal amount outstanding plus any accrued but unpaid interest.

***(e) Income Taxes***

The Plan is in receipt of a favorable determination letter dated August 12, 2002, which states that the Plan complies in form with the series of tax law changes collectively referred to as GUST. The plan administrator believes the Plan is designed and operated in compliance with the plan document and current law. As a result, the plan administrator believes that the Plan is qualified and the related trust is tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Participants have not been taxed on their salary reduction contributions, or investment earnings related to these contributions, when received by the trustee under the Plan. Ordinarily, participants are subject to tax on these amounts when they receive distributions or make withdrawals from the Plan.



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U.S. GAAP requires management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2010 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to audits by taxing jurisdictions; however, there are currently no such audits in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2007.

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**MARKEL CORPORATION RETIREMENT SAVINGS PLAN**

Notes to Financial Statements

December 31, 2010 and 2009

***(f) Payment of Benefits***

Plan benefits and withdrawals are recorded when paid.

***(g) Risks and Uncertainties***

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, equity price and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Assets Available for Benefits.

***(h) Recent Accounting Pronouncements***

Effective for the year ended December 31, 2010, the Plan adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2010 -25, *Reporting Loans to Participants by Defined Contribution Pension Plans*, which requires participant loans to be valued at the principal amount outstanding plus any accrued but unpaid interest and classified as notes receivable from participants. Previously, participant loans were valued at the principal amount outstanding and classified as investments. The adoption of ASU No. 2010 -25 was applied retrospectively for all periods presented and did not have a material impact on the Plan's assets available for benefits or changes in assets available for benefits.

**(2) Summary of Significant Provisions of the Plan**

The following description of the Plan provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

***(a) General***

The Plan is a defined contribution plan covering U.S. employees of Markel Corporation and certain of its wholly owned domestic insurance subsidiaries (the Company). Employees, age 18 or older, are eligible for participation in the Plan upon date of employment, with matching Company contributions commencing after one year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and is administered by an administrative committee appointed by the chief executive officer of the Company. The assets of the Plan are held in trust under an agreement with Fidelity Management Trust Company (the Trustee), with administrative services provided by a division of Fidelity Investments Institutional Operations Company, Inc.

***(b) Contributions***

Each year, the Company contributes to the Plan, subject to service requirements, an amount equal to 6% of each participant's compensation. The Company also contributes under the matching provision of the Plan an amount equal to 100% of the first 2% and 50% of the next 2% of compensation contributed by a participant, not to exceed 3% of the participant's compensation for any such year. One-third of the employer's contributions is allocated to the Company stock fund; however, once the funds are invested in the Company stock fund, the participant has the ability to redirect these funds at their discretion. Participants may contribute, in whole percentage increments, up to 50% of their



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Notes to Financial Statements

December 31, 2010 and 2009

annual compensation on a pre-tax basis up to a limit of \$16,500 in 2010. In addition, participants that reach age 50 before the close of the plan year can elect to make a catch-up contribution to the Plan for the plan year. The amount of the catch-up contribution is limited to \$5,500 for 2010. The allocation of both employer and participant contributions to the various funds is based upon the individual participant's election. Effective January 1, 2011, participants may designate all or some of their contributions as Roth deferrals, which represent after-tax contributions to the Plan.

Newly hired employees are automatically enrolled in the Plan at a contribution rate of 4% of compensation. Employees receive notice before the automatic contribution begins. Employees may opt out of the automatic enrollment within 30 days of receiving the notice by either electing a different contribution percentage or electing not to contribute. If the employee does not direct their contributions, amounts will be invested in a Fidelity Freedom K Fund based on the employee's age and target retirement date.

Rollover contributions, as shown in the accompanying Statements of Changes in Assets Available for Benefits, represent participant account balances rolled over into the Plan from other qualified plans.

***(c) Participant Accounts***

Each participant's account is credited with the participant's and the Company's contributions and earnings of the Plan. The posting of earnings is made on a daily basis.

***(d) Vesting and Plan Termination***

Participants are immediately vested in their own contributions plus earnings thereon. Vesting in the Company's contributions plus earnings thereon is based on years of service as follows:

| <b>Years of vesting service</b> | <b>Vested percentage</b> |
|---------------------------------|--------------------------|
| Less than two years of service  | 0%                       |
| Two years of service            | 20                       |
| Three years of service          | 50                       |
| Four or more years of service   | 100                      |

In accordance with the provisions of the Plan, any portion of the Company's contributions that have not vested at the time of a participant's withdrawal shall be forfeited by the participant and applied to reduce future Company contributions or pay administrative costs of the Plan. For the years ended December 31, 2010 and 2009, forfeited amounts totaled \$181,034 and \$200,490, respectively.

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their respective portion of the Company's contributions plus earnings thereon.

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Notes to Financial Statements

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***(e) Payment of Benefits***

Upon termination of service, participants can elect to receive a lump-sum amount equal to the value of their vested account within 60 days of the quarter end in which termination occurred or allow their account to continue to be held in the trust fund until the participant reaches age 65 or dies, whichever occurs first.

***(f) Participant Loans***

The Plan contains a provision for loans to participants with the consent of the plan administrator. Under the terms of the Plan, participants generally may borrow from their accounts a minimum of \$1,000 up to a maximum of the lesser of \$30,000 or 30% of the vested value of the participant's account or, under certain conditions, up to a maximum of the lesser of \$50,000 or 50% of the vested value of the participant's account. Loans bear interest at a market rate in effect at the time of the loan and are repayable in accordance with terms established by the Plan.

***(g) Investment Options***

Participants in the Plan are able to direct into which fund contributions are invested as discussed in note 2(b). Participants are allowed to change investment options daily, except for the Company stock fund for which participants may change investment options on a real-time basis.

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December 31, 2010 and 2009

During 2010, 11 Fidelity investment fund options were changed to the Class K share class. The Class K shares have the same management team and investment objectives and will invest in the same underlying investments but will have lower fees and expenses. Account balances were transferred automatically to the investment options shown in the following table under investment options as of December 31, 2010.

| <b>Investment options<br/>as of December 31, 2010</b>         | <b>Investment options<br/>for 2010 and prior contributions</b> |
|---|--|
| Markel Corporation common stock                               | Markel Corporation common stock                                |
| Fidelity Retirement Money Market Portfolio                    | Fidelity Retirement Money Market Portfolio                     |
| Fidelity Contrafund   | Fidelity Contrafund  |
| Fidelity Equity-Income Fund                                   | Fidelity Equity-Income Fund                                    |
| * Fidelity Freedom K 2000 Fund                                | Fidelity Freedom 2000 Fund                                     |
| * Fidelity Freedom K 2010 Fund                                | Fidelity Freedom 2010 Fund                                     |
| * Fidelity Freedom K 2020 Fund                                | Fidelity Freedom 2020 Fund                                     |
| * Fidelity Freedom K 2030 Fund                                | Fidelity Freedom 2030 Fund                                     |
| * Fidelity Freedom K 2040 Fund                                | Fidelity Freedom 2040 Fund                                     |
| * Fidelity Freedom K 2050 Fund                                | Fidelity Freedom 2050 Fund                                     |
| * Fidelity Freedom K Income Fund                              | Fidelity Freedom Income Fund                                   |
| * Fidelity Magellan Fund Class K                              | Fidelity Magellan Fund   |
| * Fidelity Overseas Fund Class K                              | Fidelity Overseas Fund   |
| * Fidelity Puritan Fund Class K                               | Fidelity Puritan Fund  |
| * Fidelity Stock Selector All Cap Fund <sup>(1)</sup> Class K | Fidelity Stock Selector All Cap Fund <sup>(1)</sup>            |
| Fidelity Stock Selector Small Cap Fund <sup>(2)</sup>         | Fidelity Stock Selector Small Cap Fund <sup>(2)</sup>          |
| Fidelity U.S. Bond Index Fund                                 | Fidelity Intermediate Bond Fund                                |
| Spartan International Index Fund Investor Class               | Spartan International Index Fund Investor Class                |
| Spartan Extended Market Index Fund Investor Class             | Spartan Extended Market Index Fund Investor Class              |
| Spartan 500 Index Investor Class <sup>(3)</sup>               | Spartan 500 Index Investor Class <sup>(3)</sup>                |

\* Funds were transferred to Fidelity's Class K share class.

(1) Effective 7/1/2010, fund name was changed from Fidelity Stock Selector

(2) Effective 9/1/2010, fund name was changed from Fidelity Small Cap Independence Fund

(3) Effective 1/22/2010, fund name was changed from Spartan U.S. Equity Index Fund

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Notes to Financial Statements

December 31, 2010 and 2009

**(3) Investments**

The Plan's investments are held by a trustee-administered trust fund. The following tables present the fair value of investments at December 31, 2010 and 2009 that represent 5% or more of the Plan's assets at the end of the respective years.

|  | <b>December 31, 2010</b>                 |                   |
|--|--|-------------------|
|  | <b>Number of<br/>shares or<br/>units</b> | <b>Fair value</b> |
| Markel Corporation common stock            | 174,124                                  | \$ 65,841,508     |
| Mutual funds:                              |  |                   |
| Fidelity Contrafund                        | 278,783                                  | 18,881,969        |
| Fidelity Puritan Fund Class K              | 982,814                                  | 17,602,197        |
| Fidelity Magellan Fund Class K             | 237,910                                  | 17,034,373        |
| Fidelity Retirement Money Market Portfolio | 15,337,258                               | 15,337,258        |
| Fidelity U.S. Bond Index Fund              | 1,165,813                                | 13,208,659        |
| Fidelity Equity-Income Fund                | 297,863                                  | 13,183,428        |

|  | <b>December 31, 2009</b>                 |                   |
|--|--|-------------------|
|  | <b>Number of<br/>shares or<br/>units</b> | <b>Fair value</b> |
| Markel Corporation common stock            | 178,161                                  | \$ 60,574,740     |
| Mutual funds:                              |  |                   |
| Fidelity Puritan Fund                      | 1,077,049                                | 17,297,401        |
| Fidelity Retirement Money Market Portfolio | 15,911,344                               | 15,911,344        |
| Fidelity Magellan Fund                     | 243,924                                  | 15,689,220        |
| Fidelity Contrafund                        | 261,582                                  | 15,244,971        |
| Fidelity Equity-Income Fund                | 312,801                                  | 12,243,031        |
| Fidelity Intermediate Bond Fund            | 1,167,776                                | 11,852,922        |

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Notes to Financial Statements

December 31, 2010 and 2009

During 2010 and 2009, the Plan's investments (including investments bought, sold and held during the year) appreciated in fair value by \$20,344,158 and \$29,724,104, respectively, as follows:

|  | <b>Years ended December 31,</b> |              |
|--|---------------------------------|--------------|
|  | <b>2010</b>                     | <b>2009</b>  |
| Markel Corporation common stock              | \$ 6,643,208                    | \$ 7,414,794 |
| Mutual funds:                                |                                 |              |
| Fidelity Contrafund                          | 2,574,440                       | 3,273,915    |
| Fidelity Equity-Income Fund                  | 1,579,078                       | 2,652,411    |
| Fidelity Freedom K 2000 Fund                 | 11,305                          |              |
| Fidelity Freedom 2000 Fund                   | 27,294                          | 74,317       |
| Fidelity Freedom K 2010 Fund                 | 165,385                         |              |
| Fidelity Freedom 2010 Fund                   | 120,075                         | 447,241      |
| Fidelity Freedom K 2020 Fund                 | 417,558                         |              |
| Fidelity Freedom 2020 Fund                   | 219,024                         | 1,013,963    |
| Fidelity Freedom K 2030 Fund                 | 429,924                         |              |
| Fidelity Freedom 2030 Fund                   | 165,090                         | 855,158      |
| Fidelity Freedom K 2040 Fund                 | 293,621                         |              |
| Fidelity Freedom 2040 Fund                   | 71,346                          | 502,355      |
| Fidelity Freedom K 2050 Fund                 | 102,058                         |              |
| Fidelity Freedom 2050 Fund                   | 21,692                          | 114,545      |
| Fidelity Freedom K Income Fund               | 13,113                          |              |
| Fidelity Freedom Income Fund                 | 27,700                          | 74,828       |
| Fidelity Intermediate Bond Fund              | 81,748                          | 1,129,714    |
| Fidelity Magellan Fund Class K               | 1,096,661                       |              |
| Fidelity Magellan Fund                       | 658,384                         | 4,460,343    |
| Fidelity Overseas Fund Class K               | 589,733                         |              |
| Fidelity Overseas Fund                       | (275,176)                       | 1,214,225    |
| Fidelity Puritan Fund Class K                | 1,363,106                       |              |
| Fidelity Puritan Fund                        | 451,608                         | 3,271,025    |
| Fidelity Stock Selector Small Cap Fund       | 1,211,848                       | 851,018      |
| Fidelity Stock Selector All Cap Fund Class K | 1,071,402                       |              |
| Fidelity Stock Selector All Cap Fund         | 281,355                         | 1,739,615    |
| Fidelity U.S. Bond Index Fund                |                                 |              |