RYANAIR HOLDINGS PLC
Form 6-K
March 03, 2017

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of March 2017

RYANAIR HOLDINGS PLC
(Translation of registrant's name into English)

c/o Ryanair Ltd Corporate Head Office
Dublin Airport
County Dublin Ireland
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F..X.. Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ...... No ..X..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- ________

RYANAIR FEB TRAFFIC GROWS 10% TO 8.2M CUSTOMERS
FULL YEAR TRAFFIC TO HIT 120M - UP 13% ON FY16
LOAD FACTOR UP 2% TO 95% ON LOWER FARES

Ryanair, Europe's favourite airline, today (3 Mar) released February traffic statistics as follows:

- Traffic grew 10% to 8.2m customers.
- Load factor rose 2% points to 95%
- Rolling annual traffic to Feb grew 14% to 119.1m customers.

	Feb 16	Feb 17	Change
Customers	7.4M	8.2M	+10%
Load Factor	93%	95%	+2%

Ryanair's Kenny Jacobs said:
"Our February traffic grew by 10% to 8.2m customers, while our load factor jumped 2% points to 95%, on the back of lower fares and the continuing success of our "Always Getting Better" customer experience programme.
Ryanair's lower fares and AGB services are leading to slightly higher than expected load factors in Q4 and accordingly we now expect full year traffic to just about hit 120m, up almost 13% over the 106.4m customers we carried in FY16."

ENDS
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

RYANAIR HOLDINGS PLC

Date: 03 March, 2017

By:___/s/ Juliusz Komorek____

Juliusz Komorek
Company Secretary

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	Year Ended December 31, 2012				
(dollars in millions)	Excess & Surplus Lines	Specialty Admitted	London Insurance Market	Other Insurance (Discontinued Lines)	Total
Professional/Products liability	$(65.9)	$—	$—	$—	$(65.9)
Casualty	(78.8)	—	—	—	(78.8)
Markel International: 2002 & post	—	—	(152.9)	—	(152.9)
Markel International: 2001 & prior	—	—	(39.1)	—	(39.1)
Markel Specialty	—	(31.2)	—	—	(31.2)
A&E exposures	—	—	—	38.2	38.2
Net other prior years' redundancy	(36.7)	(15.5)	—	(17.1)	(69.3)
Increase (decrease)	$(181.4)	$(46.7)	$(192.0)	$21.1	$(399.0)

	Year Ended December 31, 2011				
(dollars in millions)	Excess & Surplus Lines	Specialty Admitted	London Insurance Market	Other Insurance (Discontinued Lines)	Total
Professional/Products liability	$(87.3)	$—	$—	$—	$(87.3)
Casualty	(83.7)	—	—	—	(83.7)
Mortgage-related programs	(16.1)	—	—	—	(16.1)
Markel International: 2002 & post	—	—	(76.0)	—	(76.0)
Markel International: 2001 & prior	—	—	(18.8)	—	(18.8)
Markel Specialty	—	(18.2)	—	—	(18.2)
Net other prior years' redundancy	(40.4)	(9.2)	—	(4.3)	(53.9)
Decrease	$(227.5)	$(27.4)	$(94.8)	$(4.3)	$(354.0)

Over the past three years, we have experienced favorable development on prior years' loss reserves ranging from 8% to 9% of beginning of year net loss reserves. In 2013, we experienced favorable development of $411.1 million or 9% of beginning of year net loss reserves, compared to $399.0 million, or 9% of beginning of year net loss reserves, in 2012 and $354.0 million, or 8% of beginning of year net loss reserves, in 2011.

106

Table of Contents

It is difficult for management to predict the duration and magnitude of an existing trend and, on a relative basis, it is even more difficult to predict the emergence of factors or trends that are unknown today but may have a material impact on loss reserve development. In assessing the likelihood of whether the above favorable trends will continue and whether other trends may develop, we believe that a reasonably likely movement in prior years' loss reserves during 2014 would range from a deficiency of less than 1%, or $50 million, to a redundancy of approximately 4%, or $350 million, of December 31, 2013 net loss reserves.

Premiums

The following table summarizes gross premium volume by segment.

Gross Premium Volume

	Years Ended December 31,		
(dollars in thousands)	2013	2012	2011
Excess and Surplus Lines	$1,070,520	$956,273	$893,427
Specialty Admitted	899,996	669,692	572,392
London Insurance Market	914,480	887,720	825,301
Alterra	1,035,190	—	—
Other Insurance (Discontinued Lines)	40	(4)	131
Total	$3,920,226	$2,513,681	$2,291,251

The Excess and Surplus Lines segment gross premium volume increased 12% in 2013 compared to 2012. The increase in 2013 was due in part to more favorable rates, primarily on our casualty lines, and improving economic conditions. Excess and Surplus Lines segment gross premium volume increased 7% in 2012 compared to 2011. The increase in 2012 was due to more favorable rates, primarily on our excess and umbrella and property lines.

The Specialty Admitted segment gross premium volume increased 34% in 2013 compared to 2012 and increased 17% in 2012 compared to 2011. The Specialty Admitted segment included $194.7 million of gross written premiums from Hagerty in 2013, which we began writing in the first quarter of 2013. In 2012, the Specialty Admitted segment included $79.2 million of gross written premiums from Thomco, which was acquired in the first quarter of 2012.

The London Insurance Market segment gross premium volume increased 3% in 2013 compared to 2012 and 8% in 2012 compared to 2011. The increase in 2012 was due in part to more favorable rates, primarily in our Marine and Energy unit. Foreign currency exchange rate movements did not have a significant impact on gross premium volume in 2013 or 2012.

On a pro forma basis, gross premiums written for the Alterra segment decreased 3% from $2.0 billion in 2012 to $1.9 billion in 2013.

The following table summarizes net written premiums by segment.

Net Written Premiums

	Years Ended December 31,		
(dollars in thousands)	2013	2012	2011
Excess and Surplus Lines	$911,870	$811,601	$772,279
Specialty Admitted	855,381	628,147	543,213
London Insurance Market	792,158	774,383	726,359
Alterra	677,233	—	—

Other Insurance (Discontinued Lines)	41	(5)	(13)
Total	$3,236,683	$2,214,126	$2,041,838

107

Table of Contents

Net retention of gross premium volume was 83% in 2013 compared to 88% in 2012 and 89% in 2011. As part of our underwriting philosophy, we have historically sought to offer products with limits that did not require significant reinsurance. Following the acquisition of Alterra, we now have certain insurance and reinsurance products that have typically used higher levels of reinsurance. We purchase reinsurance and retrocessional reinsurance in order to manage our net retention on individual risks and enable us to write policies with sufficient limits to meet policyholder needs. Excluding premiums written by the Alterra segment, our consolidated net retention of gross premium volume in 2013 would have been 89%, which is comparable with 2012 and 2011.

On a pro forma basis, net retention of gross premium volume in the Alterra segment was 67% in both 2013 and 2012.

The following table summarizes earned premiums by segment.

Earned Premiums

	Years Ended December 31,		
(dollars in thousands)	2013	2012	2011
Excess and Surplus Lines	$856,629	$793,159	$756,306
Specialty Admitted	744,993	588,758	527,293
London Insurance Market	781,637	765,216	695,753
Alterra	848,317	—	—
Other Insurance (Discontinued Lines)	40	(5)	(12)
Total	$3,231,616	$2,147,128	$1,979,340

The Excess and Surplus Lines segment earned premiums increased 8% in 2013 compared to 2012 and increased 5% in 2012 compared to 2011. The change in both periods was a result of the change in gross premium volume.

The Specialty Admitted segment earned premiums increased 27% in 2013 compared to 2012 and increased 12% in 2012 compared to 2011. In 2013, the Specialty Admitted segment included $97.8 million of earned premiums from Hagerty. The Specialty Admitted segment also experienced continued growth in 2013 as a result of our acquisition of Thomco in early 2012. The increase in 2012 compared to 2011 was attributable to higher earned premiums in our Workers' Compensation unit, which we acquired in late 2010, and earned premiums from Thomco.

The London Insurance Market segment earned premiums increased 2% in 2013 compared to 2012 and increased 10% in 2012 compared to 2011. The increase in both periods was primarily a result of higher gross premium volume. Foreign currency exchange rate movements did not have a significant impact on earned premiums in 2013 or 2012.

On a pro forma basis, earned premiums for the Alterra segment decreased 5% from $1.4 billion in 2012 to $1.3 billion in 2013. The decrease in earned premiums was driven by a decrease in reinsurance premiums assumed.

Life and Annuity Benefits

The Other Insurance (Discontinued Lines) segment also included other revenues of $1.1 million and other expenses of $28.1 million for the year ended December 31, 2013 related to the life and annuity reinsurance business which was assumed through the acquisition of Alterra on May 1, 2013. This business is in run-off and we are not writing any new life and annuity reinsurance contracts. The life and annuity benefit reserves are recorded on a discounted present value basis using assumptions that were determined at the Acquisition Date. The accretion of this discount is recognized in the statement of income and comprehensive income as other expenses. Other revenues attributable to the life and annuity business included in the Other Insurance (Discontinued Lines) segment represent ongoing premium adjustments on existing contracts.

108

Table of Contents

Investing Results

Our business strategy recognizes the importance of both consistent underwriting and operating profits and superior investment returns to build shareholder value. We rely on sound underwriting practices to produce investable funds while minimizing underwriting risk. We evaluate our investment performance by analyzing taxable equivalent total investment return. Taxable equivalent total investment return includes items that impact net income, such as coupon interest on fixed maturities, dividends on equity securities and realized investment gains or losses, as well as changes in unrealized gains or losses, which do not impact net income. Certain items that are included in net investment income have been excluded from the calculation of taxable equivalent total investment return, such as amortization and accretion of premiums and discounts on our fixed maturity portfolio, to provide a comparable basis for measuring our investment return against industry investment returns. The calculation of taxable equivalent total investment return also includes the current tax benefit associated with income on certain investments that is either taxed at a lower rate than the statutory income tax rate or is not fully included in federal taxable income. We believe the taxable equivalent total investment return is a better reflection of the economics of our decision to invest in certain asset classes. We focus on our long-term investment return, understanding that the level of realized and unrealized investment gains or losses may vary from one period to the next.

The following table summarizes our investment performance.

	Years Ended December 31,		
(dollars in thousands)	2013	2012	2011
Net investment income	$317,373	$282,107	$263,676
Net realized investment gains	$63,152	$31,593	$35,857
Change in net unrealized gains on investments	$261,995	$353,808	$182,722
Investment yield [1]	2.6 %	3.7 %	3.6 %
Taxable equivalent total investment return, before foreign currency effect	6.9 %	8.6 %	6.7 %
Taxable equivalent total investment return	6.8 %	9.0 %	6.5 %
Invested assets, end of year	$17,612,074	$9,332,745	$8,728,147

(1) Investment yield reflects net investment income as a percentage of monthly average invested assets at amortized cost.

The following table reconciles investment yield to taxable equivalent total investment return.

	Years Ended December 31,		
(dollars in thousands)	2013	2012	2011
Investment yield [1]	2.6 %	3.7 %	3.6 %
Adjustment of investment yield from book value to market value	(0.3)%	(0.5)%	(0.5)%
Net amortization of net premium on fixed maturity securities	0.7 %	0.2 %	0.2 %
Net realized investment gains and change in net unrealized gains on investments	2.3 %	4.3 %	2.6 %
Taxable equivalent effect for interest and dividends [2]	0.4 %	0.6 %	0.7 %
Other [3]	1.1 %	0.7 %	(0.1)%
Taxable equivalent total investment return	6.8 %	9.0 %	6.5 %

(1) Investment yield reflects net investment income as a percentage of monthly average invested assets at amortized cost.

(2) Adjustment to tax-exempt interest and dividend income to reflect a taxable equivalent basis.

(3) Adjustment to reflect the impact of time-weighting the inputs to the calculation of taxable equivalent total investment return.

Investments, cash and cash equivalents and restricted cash and cash equivalents (invested assets) increased 89% in 2013. The increase in the investment portfolio in 2013 was attributable to the investment portfolio acquired through the Alterra acquisition, as well as an increase in net unrealized gains on investments of $262.0 million and cash flows from operations of $745.5 million. Invested assets increased 7% in 2012. The increase in the investment portfolio in 2012 was primarily due to an increase in net unrealized gains on investments of $353.8 million and cash flows from operations of $392.5 million.

Table of Contents

Following a period of considerable dislocation in the global financial markets that began in 2008, our investment portfolio experienced significant recoveries beginning in the latter half of 2009 and continuing into 2010. Given the improvement in the financial markets in 2010, we increased our purchases of fixed maturities and equity securities and gradually shifted our investment portfolio's allocation from short-term investments and cash and cash equivalents to higher yielding investment securities. During 2011 and 2012, we increased our holdings of equity securities to capitalize on opportunities in the equity markets. Also during this time, we increased our holdings of cash and cash equivalents and short-term investments and reduced our holdings of fixed maturities. During 2013, we have continued to limit our allocation of funds for purchases of fixed maturities. Due to the current low interest rate environment, we have chosen to take a more defensive posture, earning lower investment yields in order to maintain a high level of liquidity and have flexibility in how we allocate capital. We began repositioning the investment portfolio acquired through the Alterra acquisition to be more consistent with our historical investment portfolio allocation by replacing fixed maturity corporate and mortgage-backed securities with fixed maturity tax-exempt municipal securities and equity securities. At December 31, 2013, equity securities represented 18% of our invested assets compared to 26% at December 31, 2012. At December 31, 2013, short-term investments, cash and cash equivalents and restricted cash and cash equivalents represented 24% of our invested assets compared to 21% at December 31, 2012.

Net investment income increased 13% in 2013, driven by $74.3 million of net investment income attributable to the investment portfolio acquired through the Alterra acquisition, which was net of $58.3 million of amortization as a result of establishing a new amortized cost for Alterra's fixed maturity securities as of the Acquisition Date. Net investment income attributable to the investment portfolio acquired through the Alterra acquisition was partially offset by lower investment income on fixed maturities, as we decreased our holdings in fixed maturities and increased our holdings in cash and cash equivalents during 2013. Net investment income increased 7% in 2012, which was primarily due to a favorable change in the fair value of our credit default swap. Excluding the change in the fair value of our credit default swap, net investment income in 2012 was flat compared to 2011 as lower investment income on our fixed income portfolio, due to lower invested assets, was offset by increased dividend income on our equity portfolio due to special dividend payments during 2012.

Net investment income in 2013 and 2012 included favorable changes in the fair value of our credit default swap of $10.5 million and $16.6 million, respectively. Net investment income in 2011 included an adverse change in the fair value of our credit default swap of $4.1 million. The fair value of the credit default swap was a liability of $2.2 million and $12.7 million at December 31, 2013 and December 31, 2012, respectively.

Net realized investment gains were $63.2 million, $31.6 million and $35.9 million in 2013, 2012 and 2011, respectively. Net realized investment gains include both gains and losses from sales of securities and losses from write downs for other-than-temporary declines in the estimated fair value of investments. In 2013, net realized investment gains included $4.7 million of write downs for other-than-temporary declines in the estimated fair value of investments compared to $12.1 million and $20.2 million in 2012 and 2011, respectively. In 2013, 2012 and 2011, net realized investment gains were related to equity securities and fixed maturities that were sold because of our decision to reallocate capital to other equity securities or fixed maturities with greater potential for long-term investment returns.

Net realized investment gains in 2013, 2012 and 2011 included $25.4 million, $0.9 million and $0.5 million, respectively, of realized losses from sales of fixed maturities and equity securities. Proceeds received on securities sold at a loss were $545.3 million in 2013, $11.9 million in 2012 and $18.5 million in 2011. During 2013 we began repositioning the investment portfolio acquired through the Alterra acquisition to be more consistent with our target portfolio allocation.

Approximately 95% of the gross realized losses in 2013 related to securities that had been in a continuous unrealized loss position for less than one year. Gross realized losses in 2013 included $4.7 million of write downs for

other-than-temporary declines in the estimated fair value of investments. These write downs were made with respect to six equity securities and four fixed maturities.

Approximately 99% of the gross realized losses in 2012 related to securities that had been in a continuous unrealized loss position for less than one year. Gross realized losses in 2012 included $12.1 million of write downs for other-than-temporary declines in the estimated fair value of investments. These write downs were made with respect to five equity securities.

Approximately 87% of the gross realized losses in 2011 related to securities that had been in a continuous unrealized loss position for less than one year. Gross realized losses in 2011 included $20.2 million of write downs for other-than-temporary declines in the estimated fair value of investments. These write downs were made with respect to 18 equity securities and five fixed maturities.

Table of Contents

In 2013, net unrealized gains on investments increased $262.0 million primarily due to an increase in the estimated fair value of our equity portfolio as a result of strong overall equity market performance, partially offset by a decline in the estimated fair value of fixed income securities as interest rates increased during 2013. The decline in the fair value of the fixed income portfolio was more significant for fixed income securities in the investment portfolio acquired through the Alterra acquisition, as their fixed income securities have a longer weighted average effective duration than our historical fixed income portfolio. In 2012, net unrealized gains on investments increased $353.8 million due to increases in the estimated fair value of our equity portfolio as a result of continued improvement in financial market conditions during 2012. In 2011, net unrealized gains on investments increased $182.7 million, due to an increase in the estimated fair value of our fixed maturity portfolio as a result of a decline in interest rates during 2011.

We complete a detailed analysis each quarter to assess whether the decline in the fair value of any investment below its cost basis is deemed other-than-temporary. At December 31, 2013, we held securities with gross unrealized losses of $211.9 million, or approximately 1% of invested assets. All securities with unrealized losses were reviewed, and we believe that there were no other securities with indications of declines in estimated fair value that were other-than-temporary at December 31, 2013. However, given the volatility in the debt and equity markets, we caution readers that further declines in fair value could be significant and may result in additional other-than-temporary impairment charges in future periods. Variability in the timing of realized and unrealized gains and losses is to be expected. See note 3(b) of the notes to consolidated financial statements for further discussion of unrealized losses.

Markel Ventures Operations

Our Markel Ventures operations are comprised of a diverse portfolio of industrial and service businesses that operate outside of the specialty insurance marketplace. These businesses are viewed by management as separate and distinct from our insurance operations. While each of these companies are operated independently from one another, we aggregate their financial results into two industry groups: manufacturing and non-manufacturing.

We consolidate our Markel Ventures operations on a one-month lag. Operating revenues and expenses associated with our Markel Ventures operations are included in other revenues and other expenses in the consolidated statements of income and comprehensive income. See note 21 of the notes to consolidated financial statements for the components of other revenues and other expenses associated with Markel Ventures.

Table of Contents

The following tables summarize the amounts recognized in the consolidated balance sheets and consolidated statements of income related to Markel Ventures.

	December 31,	
(dollars in thousands)	2013	2012
ASSETS		
Cash and cash equivalents	$61,742	$55,048
Receivables	78,764	71,565
Goodwill	191,629	192,444
Intangible assets	182,599	199,307
Other assets	421,714	373,222
Total Assets	$936,448	$891,586
LIABILITIES AND EQUITY		
Senior long-term debt and other debt [1]	$217,119	$211,147
Other liabilities	146,343	149,819
Total Liabilities	363,462	360,966
Redeemable noncontrolling interests	72,183	86,225
Shareholders' equity [2]	501,370	444,035
Noncontrolling interests	(567)	360
Total Equity	500,803	444,395
Total Liabilities and Equity	$936,448	$891,586

(1) Senior long-term debt and other debt as of December 31, 2013 and 2012 included $116.4 million and $121.7 million, respectively, of debt due to other subsidiaries of Markel Corporation, which is eliminated in consolidation.
(2) Shareholders' equity includes $444.1 million and $415.6 million as of December 31, 2013 and 2012, respectively, which represents Markel Corporation's investment in Markel Ventures and is eliminated in consolidation.

	Years ended December 31,		
(dollars in thousands)	2013	2012	2011
OPERATING REVENUES			
Net investment income	$4	$4	$—
Other revenues	686,448	489,352	317,532
Total Operating Revenues	686,452	489,356	317,532
OPERATING EXPENSES			
Amortization of intangible assets	20,674	18,684	11,702
Other expenses	613,250	432,956	275,324
Total Operating Expenses	633,924	451,640	287,026
Operating Income	52,528	37,716	30,506
Interest expense [1]	11,230	11,269	11,853
Income Before Income Taxes	41,298	26,447	18,653
Income tax expense	14,654	8,109	4,447
Net Income	26,644	18,338	14,206
Net income attributable to noncontrolling interests	2,824	4,863	6,460
Net Income to Shareholders	$23,820	$13,475	$7,746

(1) Interest expense for the years ended December 31, 2013, 2012 and 2011 includes intercompany interest expense of $6.4 million, $6.4 million and $6.0 million, respectively, which is eliminated in consolidation.

Revenues and net income to shareholders from our Markel Ventures operations increased in 2013 compared to 2012 primarily due to our acquisition of Eagle Construction of VA LLC (Eagle) in August 2013, Reading Bakery Systems (Reading) in September 2012 and Havco WP LLC (Havco) in April 2012 and more favorable results at AMF Bakery Systems (AMF). Revenues and net income to shareholders from our Markel Ventures operations increased in 2012

compared to 2011 primarily due to our acquisition of Havco and more favorable results at AMF. Revenues also increased in 2012 due to our acquisition of WI Holdings Inc. (Weldship) in late 2011.

112

Table of Contents

The following table summarizes the cash flows attributable to Markel Ventures for the years ended December 31, 2013, 2012 and 2011.

	Years ended December 31,		
(dollars in thousands)	2013	2012	2011
Cash and cash equivalents, beginning of year	$55,048	$35,756	$25,395
Net cash provided by operating activities	75,926	47,020	17,457
Net cash used by investing activities	(60,533)	(190,060)	(128,298)
Net cash provided (used) by financing activities [1,2]	(8,699)	162,332	121,202
Increase in cash and cash equivalents	6,694	19,292	10,361
Cash and cash equivalents, end of year	$61,742	$55,048	$35,756

(1) Net cash provided (used) by financing activities for the years ended December 31, 2013, 2012 and 2011 includes capital contributions from our holding company of $28.7 million, $193.4 million and $97.9 million, respectively, which are eliminated in consolidation.

(2) Net cash used by financing activities for the year ended December 31, 2013 includes repayments of debt totaling $5.3 million which are eliminated in consolidation. Net cash provided by financing activities for the years ended December 31, 2012 and 2011 includes additions to debt of $8.8 million and $15.4 million, respectively, which are eliminated in consolidation.

Markel Ventures earnings before interest, income taxes, depreciation and amortization (EBITDA) is a non-GAAP financial measure. We use Markel Ventures EBITDA as an operating performance measure in conjunction with U.S. GAAP measures, including revenues and net income, to monitor and evaluate the performance of our Markel Ventures operations. Because EBITDA excludes interest, income taxes, depreciation and amortization, it provides an indicator of economic performance that is useful to both management and investors in evaluating our Markel Ventures businesses as it is not affected by levels of debt, interest rates, effective tax rates or levels of depreciation and amortization resulting from purchase accounting. The following table reconciles EBITDA of Markel Ventures, net of noncontrolling interests, to consolidated net income to shareholders.

	Years Ended December 31,		
(dollars in thousands)	2013	2012	2011
Markel Ventures EBITDA - Manufacturing	$64,415	$44,963	$21,915
Markel Ventures EBITDA - Non-Manufacturing	19,372	15,398	15,410
Markel Ventures EBITDA - Total	83,787	60,361	37,325
Interest expense [1]	(9,283)	(9,782)	(10,871)
Income tax expense	(13,988)	(7,868)	(4,335)
Depreciation expense	(19,313)	(14,205)	(5,106)
Amortization of intangible assets	(17,383)	(15,031)	(9,267)
Markel Ventures net income to shareholders	23,820	13,475	7,746
Net income from other Markel operations	257,201	239,910	134,280
Net income to shareholders	$281,021	$253,385	$142,026

(1) Interest expense for the years ended December 31, 2013, 2012 and 2011 includes intercompany interest expense of $6.4 million, $6.4 million and $6.0 million, respectively.

EBITDA from our Markel Ventures manufacturing operations increased in 2013 compared to 2012 primarily due to our acquisition of Reading and more favorable results at AMF. EBITDA from our Markel Ventures manufacturing operations increased in 2012 compared to 2011 primarily due to our acquisitions of Weldship and Havco. EBITDA from our Markel Ventures non-manufacturing operations increased in 2013 compared to 2012 primarily due to our acquisition of Eagle.

113

Table of Contents

Interest Expense and Income Taxes

Interest expense was $114.0 million in 2013 compared to $92.8 million in 2012 and $86.3 million in 2011. The increase in interest expense in 2013 compared to 2012 was due in part to $13.2 million of interest expense associated with our 6.25% unsecured senior notes and 7.20% unsecured senior notes which were assumed in connection with the acquisition of Alterra. Interest expense in 2013 also increased due to our $500 million combined issuance in March 2013 of 3.625% unsecured senior notes and 5.0% unsecured senior notes, partially offset by the repayment of our $250 million 6.80% unsecured notes in February 2013. In 2013, increased interest expense associated with our first full year of interest from our $350 million issuance in July 2012 of 4.90% unsecured senior notes was offset by the redemption of our $150 million 7.50% unsecured senior debentures in August 2012. The increase in interest expense in 2012 compared to 2011 was due in part to our issuance of 4.90% unsecured senior notes in July 2012.

The effective tax rate was 22% in 2013 compared to 17% in 2012 and 22% in 2011. In all three periods, the effective tax rate differs from the statutory tax rate of 35% primarily as a result of tax-exempt investment income. The increase in the effective tax rate in 2013 was driven by higher earnings taxed at a 35% tax rate and a smaller tax benefit related to tax-exempt investment income, which resulted from having higher income before income taxes in 2013 compared to 2012. The decrease in the effective tax rate in 2012 compared to 2011 was driven by higher earnings from our foreign operations, which were taxed at a lower rate in both 2012 and 2011.

With few exceptions, we are no longer subject to income tax examination by tax authorities for years ended before January 1, 2010. See note 8 of the notes to consolidated financial statements for a discussion of factors affecting the realization of our gross deferred tax assets and unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in our income tax returns.

Comprehensive Income to Shareholders

Comprehensive income to shareholders was $459.5 million, $503.8 million and $251.9 million in 2013, 2012 and 2011, respectively. Comprehensive income to shareholders for 2013 included net income to shareholders of $281.0 million and an increase in net unrealized gains on investments, net of taxes, of $184.6 million. Comprehensive income to shareholders for 2012 included net income to shareholders of $253.4 million and an increase in net unrealized gains on investments, net of taxes, of $242.2 million. Comprehensive income to shareholders for 2011 included net income to shareholders of $142.0 million and an increase in net unrealized gains on investments, net of taxes, of $123.4 million.

Claims and Reserves

We maintain reserves for specific claims incurred and reported, reserves for claims incurred but not reported and reserves for uncollectible reinsurance. Our ultimate liability may be greater or less than current reserves. In the insurance industry, there is always the risk that reserves may prove inadequate. We continually monitor reserves using new information on reported claims and a variety of statistical techniques. Anticipated inflation is reflected implicitly in the reserving process through analysis of cost trends and the review of historical development. We do not discount our reserves for losses and loss adjustment expenses to reflect estimated present value, except for reserves assumed in connection with an acquisition, which are recorded at fair value at the acquisition date.

The first line of the following table shows our net reserves for losses and loss adjustment expenses adjusted for commutations, foreign currency movements and other items. This adjustment is accomplished by revising the reserves for losses and loss adjustment expenses as originally estimated at the end of each year and all prior years for reserves either reassumed from reinsurers or ceded back to cedents through reinsurance commutation agreements. Adjustments

also are made for the effects of changes in foreign currency rates since the reserves for losses and loss adjustment expenses were originally estimated. Net reserves for losses and loss adjustment expenses of acquired insurance companies are included in the year of acquisition.

The upper portion of the table shows the cumulative amount paid with respect to the previously recorded reserves as of the end of each succeeding year. The lower portion of the table shows the re-estimated amount of the previously recorded reserves based on experience as of the end of each succeeding year, including cumulative payments made since the end of the respective year. For example, the liability for losses and loss adjustment expenses at the end of 2008 for 2008 and all prior years, adjusted for commutations, foreign currency movements and other items, was originally estimated to be $4,562.0 million. Five years later, as of December 31, 2013, this amount was re-estimated to be $3,475.1 million, of which $2,350.9 million had been paid, leaving a reserve of $1,124.2 million for losses and loss adjustment expenses for 2008 and prior years remaining unpaid as of December 31, 2013.

114

Table of Contents

The following table represents the development of reserves for losses and loss adjustment expenses for the period 2003 through 2013.

(dollars in millions)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2
Net reserves, end of year, adjusted for commutations, foreign currency movements and other	$3,423.4	3,834.9	4,193.3	4,294.0	4,343.9	4,562.0	4,547.9	4,613.8	4,636.6	4,591.9	8
Paid (cumulative) as of:											
One year later	679.6	717.2	799.5	783.8	727.6	759.5	796.1	898.3	932.0	906.3	
Two years later	1,194.1	1,256.5	1,375.4	1,312.1	1,270.8	1,364.8	1,417.0	1,531.0	1,548.7		
Three years later	1,597.8	1,667.4	1,752.4	1,689.6	1,686.3	1,841.0	1,881.5	1,918.5			
Four years later	1,914.7	1,932.9	2,018.2	1,994.1	1,983.9	2,189.7	2,118.7				
Five years later	2,105.6	2,114.0	2,243.3	2,201.5	2,245.4	2,350.9					
Six years later	2,235.8	2,293.2	2,406.5	2,396.8	2,353.7						
Seven years later	2,382.1	2,418.4	2,581.1	2,473.2							
Eight years later	2,487.4	2,545.1	2,642.7								
Nine years later	2,604.5	2,587.0									
Ten years later	2,635.0										
Reserves re-estimated as of:											
One year later	3,457.4	3,784.3	4,061.0	4,096.6	4,180.2	4,326.6	4,269.8	4,260.0	4,237.6	4,180.8	
Two years later	3,477.9	3,629.6	3,910.6	3,957.6	3,944.7	4,089.8	3,926.6	3,884.8	3,895.5		
Three years later	3,413.4	3,545.1	3,806.7	3,770.3	3,730.4	3,825.0	3,634.1	3,629.9			
Four years later	3,409.7	3,517.1	3,697.1	3,609.7	3,529.1	3,628.8	3,436.7				
Five years later	3,430.0	3,470.8	3,585.2	3,455.3	3,380.2	3,475.1					
Six years later	3,405.8	3,388.7	3,470.7	3,357.0	3,266.3						
Seven years later	3,349.9	3,305.5	3,405.2	3,285.9							
Eight years later	3,296.6	3,258.6	3,355.7								
Nine years later	3,263.3	3,224.6									

Ten years later	3,239.4										
Net cumulative redundancy	$184.0	610.3	837.6	1,008.1	1,077.6	1,086.9	1,111.2	983.9	741.1	411.1	
Cumulative %	5 %	16 %	20 %	23 %	25 %	24 %	24 %	21 %	16 %	9 %	
Gross reserves, end of year, adjusted for commutations, foreign currency movements and other	$4,780.8	5,206.9	5,971.7	5,405.5	5,294.5	5,537.7	5,378.0	5,383.6	5,410.8	5,359.6	1
Reinsurance recoverable, adjusted for commutations, foreign currency movements and other	1,357.4	1,372.0	1,778.4	1,111.5	950.6	975.7	830.1	769.8	774.2	767.7	1
Net reserves, end of year, adjusted for commutations, foreign currency movements and other	$3,423.4	3,834.9	4,193.3	4,294.0	4,343.9	4,562.0	4,547.9	4,613.8	4,636.6	4,591.9	8
Gross re-estimated reserves	4,562.5	4,438.6	4,939.7	4,235.0	4,060.5	4,272.1	4,135.7	4,308.9	4,612.7	4,886.8	
Re-estimated recoverable	1,323.1	1,214.0	1,584.0	949.1	794.2	797.0	699.0	679.0	717.2	706.0	
Net re-estimated reserves	$3,239.4	3,224.6	3,355.7	3,285.9	3,266.3	3,475.1	3,436.7	3,629.9	3,895.5	4,180.8	
Gross cumulative redundancy	$218.3	768.3	1,032.0	1,170.5	1,234.0	1,265.6	1,242.3	1,074.7	798.1	472.8	

115

Net cumulative redundancy represents the change in the estimate from the original balance sheet date to the date of the current estimate. For example, the liability for losses and loss adjustment expenses developed a $1,086.9 million redundancy from December 31, 2008 to December 31, 2013. Conditions and trends that have affected the development of loss reserves in the past may not necessarily occur in the future. Accordingly, it may not be appropriate to extrapolate future redundancies or deficiencies based on the table. Gross cumulative redundancy is presented before deductions for reinsurance. Gross deficiencies and redundancies may be significantly more or less than net deficiencies and redundancies due to the nature and extent of applicable reinsurance. The net and gross cumulative redundancies as of December 31, 2013 for 2012 and prior years were primarily due to redundancies that developed during 2013 in the Excess and Surplus Lines and London Insurance Market segments on the 2007 to 2012 accident years. See "Underwriting Results" for further discussion of changes in prior years' loss reserves.

See note 9 of the notes to consolidated financial statements and the discussion under "Critical Accounting Estimates" for a discussion of estimates and assumptions related to the reserves for losses and loss adjustment expenses.

Liquidity and Capital Resources

We seek to maintain prudent levels of liquidity and financial leverage for the protection of our policyholders, creditors and shareholders. Our target capital structure includes approximately 30% debt. Our debt to capital ratio was 25% at December 31, 2013 and 28% at December 31, 2012. From time to time, our debt to capital ratio may increase due to business opportunities that may be financed in the short term with debt. Alternatively, our debt to capital ratio may fall below our target capital structure, which provides us with additional borrowing capacity to respond when future opportunities arise.

At December 31, 2013, our holding company (Markel Corporation) held $1.3 billion of invested assets, which approximated 14 times annual interest expense of the holding company, compared to $1.4 billion of invested assets at December 31, 2012. The decrease in invested assets is primarily the result of cash paid for the Alterra acquisition of approximately $1.0 billion, the repayment of our $250 million 6.80% unsecured senior notes in February 2013 and cash paid for interest and income taxes, partially offset by dividends received from our subsidiaries of $791.0 million and our $500 million combined issuance in March 2013 of 3.625% and 5.0% unsecured senior notes. In order to maintain prudent levels of liquidity, we seek to maintain invested assets at Markel Corporation of at least two times annual interest expense. The excess liquidity at Markel Corporation is available to increase capital at our insurance subsidiaries, complete acquisitions, repurchase shares of our common stock or retire debt.

Under the terms of the agreements in which we acquired controlling interests in certain Markel Ventures subsidiaries, the remaining equity interests have the option to sell their interests to us in the future. These redeemable noncontrolling interests generally become redeemable through 2018; however, the occurrence, timing and redemption value of these transactions is uncertain. As of December 31, 2013, redeemable noncontrolling interests totaled $72.2 million.

In October 2010, we completed our acquisition of Aspen Holdings, Inc. (Aspen). As part of the consideration for this acquisition, Aspen shareholders received contingent value rights that may result in the payment of additional cash consideration depending, among other things, upon the development of pre-acquisition loss reserves and loss sensitive profit commissions over time. Based on current expectations, we do not believe contingent consideration payments, if any, related to these contingent value rights would have a material impact on our liquidity.

During 2013, we repurchased 77,693 shares of common stock at a cost of $40.9 million under a share repurchase program that was approved by our Board of Directors in November 2010 (the 2010 Program). As of December 31,

2013, we had repurchased 232,535 shares of common stock at a cost of $101.4 million under the 2010 Program. In November 2013, our Board of Directors approved a new share repurchase program that provides for the repurchase of up to $300 million of common stock (the 2013 Program) to replace the 2010 Program. The 2013 Program has no expiration date but may be terminated by the Board of Directors at any time. As of December 31, 2013, we had not repurchased any shares of common stock under the 2013 Program.

Our insurance operations collect premiums and pay claims, reinsurance costs and operating expenses. Premiums collected and positive cash flows from the insurance operations are invested primarily in short-term investments and long-term fixed maturities. Short-term investments held by our insurance subsidiaries provide liquidity for projected claims, reinsurance costs and operating expenses. As a holding company, Markel Corporation receives cash from its subsidiaries as reimbursement for operating and other administrative expenses it incurs. The reimbursements are made within the guidelines of various management agreements between the holding company and its subsidiaries.

The holding company has historically relied upon dividends from its domestic subsidiaries to meet debt service obligations. Under the insurance laws of the various states in which our domestic insurance subsidiaries are incorporated, an insurer is restricted in the amount of dividends it may pay without prior approval of regulatory authorities. At December 31, 2013, our domestic insurance subsidiaries and Markel Bermuda could pay ordinary dividends of $672.7 million during the following twelve months under these laws.

There are also regulatory restrictions on the amount of dividends that our foreign insurance subsidiaries may pay based on applicable laws in Ireland and the United Kingdom. At December 31, 2013, earnings of our foreign subsidiaries are considered reinvested indefinitely for U.S. income tax purposes. At December 31, 2013, cash and cash equivalents, restricted cash and cash equivalents and short-term investments of $1.3 billion were held by our foreign subsidiaries. We do not expect the amount of cash and cash equivalents, restricted cash and cash equivalents and short-term investments that are attributable to earnings that are considered reinvested indefinitely, and not available for distributions to the holding company, to have a material effect on our liquidity or capital resources.

Net cash provided by operating activities was $745.5 million, $392.5 million and $311.3 million in 2013, 2012 and 2011, respectively. The increase in 2013 compared to 2012 was due to higher cash flows from underwriting and investing activities, primarily as a result of the acquisition of Alterra. The increase in cash flows from underwriting activities was also driven by higher premium volume, primarily in our Specialty Admitted and Excess and Surplus Lines segments. The increase in 2012 compared to 2011 was due to higher cash flows from underwriting activities, as a result of higher premium volume in in our Excess and Surplus Lines, Specialty Admitted and London Insurance Market segments, and higher cash flows from our Markel Ventures operations, primarily due to recent acquisitions.

Net cash provided by investing activities was $187.4 million in 2013 compared to net cash used by investing activities of $377.1 million and $491.1 million in 2012 and 2011, respectively. During 2013, we used net cash of $12.2 million for acquisitions. The acquisition of Alterra resulted in net cash received as a result of Alterra's cash balance exceeding cash paid for the acquisition by $49.5 million. Net cash used by investing activities in 2012 and 2011 included $243.7 million and $120.1 million of cash, net of cash acquired, used to complete acquisitions in 2012 and 2011, respectively. See note 2 of the notes to consolidated financial statements for a discussion of acquisitions. We received cash of $236.9 million during 2013 for redemptions from our hedge fund portfolio acquired through the Alterra acquisition, which is included in other assets on the consolidated balance sheet. During 2011 and 2012, we increased our holdings of equity securities to capitalize on opportunities in the equity markets. Also during this time, we increased our holdings of cash and cash equivalents and short-term investments and reduced our holdings of fixed maturities. During 2013, we have continued to limit our allocation of funds for purchases of fixed maturities. Due to the current low interest rate environment, we have chosen to take a more defensive posture, earning lower investment yields in order to maintain a high level of liquidity and have flexibility in how we allocate capital. We began repositioning the investment portfolio acquired through the Alterra acquisition to be more consistent with our target investment portfolio allocation by replacing fixed maturity corporate and mortgage-backed securities with fixed maturity tax-exempt municipal securities and equity securities. Cash flow from investing activities is affected by various factors such as anticipated payment of claims, financing activity, acquisition opportunities and individual buy and sell decisions made in the normal course of our investment portfolio management.

Invested assets increased to $17.6 billion at December 31, 2013 from $9.3 billion at December 31, 2012, primarily due to the acquisition of Alterra. Net unrealized gains on investments, net of taxes, were $1.1 billion at December 31, 2013 compared to $946.9 million at December 31, 2012. The increase in net unrealized gains on investments, net of taxes, in 2013 was primarily due to an increase in the estimated fair value of our equity portfolio as a result of improving market conditions during 2013. Equity securities were $3.3 billion, or 18% of invested assets, at December 31, 2013 compared to $2.4 billion, or 26% of invested assets, at December 31, 2012. See note 3(h) of the notes to consolidated financial statements for a discussion of restricted assets.

117

Table of Contents

Net cash provided by financing activities was $175.4 million, $142.0 million and $194.6 million in 2013, 2012 and 2011 respectively. During 2013, we received net proceeds of $491.2 million associated with the issuance of $250 million of 3.625% unsecured senior notes due March 30, 2023 and $250 million of 5.0% unsecured senior notes due March 30, 2043. On February 15, 2013, we repaid our 6.80% unsecured senior notes, which had an outstanding principal balance of $246.7 million. During 2012, we received net proceeds of $347.2 million associated with the issuance of $350 million of 4.90% unsecured senior notes due July 1, 2022. We used a portion of these proceeds to redeem our 7.50% unsecured debentures due August 22, 2046 at a redemption price equal to 100% of their principal amount, or $150 million. Proceeds were also used to pre-fund the repayment of our 6.80% unsecured senior notes due February 15, 2013 at their maturity ($246.7 million principal amount outstanding at December 31, 2012). During 2011, we received net proceeds of $247.9 million associated with the issuance of $250 million of 5.35% unsecured senior notes due June 1, 2021. During 2013, 2012 and 2011, cash of $57.4 million, $16.9 million and $42.9 million, respectively, was used to repurchase shares of our common stock.

In recent years, we have completed numerous reinsurance commutations, which involve the termination of ceded or assumed reinsurance contracts. Our commutation strategy related to ceded reinsurance contracts is to reduce credit exposure and eliminate administrative expenses associated with the run-off of reinsurance placed with certain reinsurers. Our commutation strategy related to assumed reinsurance contracts is to reduce our loss exposure to long-tailed liabilities assumed under reinsurance agreements entered into prior to our acquisition of Markel International. We will continue to pursue commutations when we believe they meet our objectives.

We have credit risk to the extent any of our reinsurers are unwilling or unable to meet their obligations under our ceded reinsurance agreements. We attempt to minimize credit exposure to reinsurers through adherence to internal reinsurance guidelines. We monitor changes in the financial conditions of our reinsurers, and we assess our concentration of credit risk on a regular basis. At December 31, 2013, our reinsurance recoverable balance for the ten largest reinsurers was $1.3 billion, representing 62% of our consolidated balance, before considering allowances for bad debts. All of our ten largest reinsurers were rated "A" or better by A.M. Best. We are the beneficiary of letters of credit, trust accounts and funds withheld in the aggregate amount of $123.1 million at December 31, 2013, collateralizing reinsurance recoverable balances due from our ten largest reinsurers. See note 16 of the notes to consolidated financial statements for further discussion of reinsurance recoverables and exposures. While we believe that net reinsurance recoverable balances are collectible, deterioration in reinsurers' ability to pay or collection disputes could adversely affect our operating cash flows, financial position and results of operations.

The following table reconciles case reserves and IBNR reserves, by segment, to unpaid losses and loss adjustment expenses. As described in note 2 to consolidated financial statements, unpaid losses and loss adjustment expenses attributable to Alterra were recorded at fair value as of the Acquisition Date, which consists of the present value of the expected net loss and loss adjustment expense payments plus a risk premium. Unpaid losses and loss adjustment expenses included in the consolidated balance sheet include the unamortized portion of the fair value adjustment recorded at the Acquisition Date; however, as this amount does not represent case or IBNR reserves, it is excluded from the table below.

(dollars in thousands)	Excess & Surplus Lines	Specialty Admitted	London Insurance Market	Alterra	Other Insurance (Discontinued Lines)	Consolidated
December 31, 2013						
Case reserves	$529,391	$295,988	$889,425	$1,605,947	$ 278,383	$3,599,134
IBNR reserves	1,468,968	582,576	1,020,187	3,254,311	200,416	6,526,458
Total	$1,998,359	$878,564	$1,909,612	$4,860,258	$ 478,799	$10,125,592
December 31, 2012						

Case reserves	$600,002	$269,163	$933,992	$—	$ 273,354	$2,076,511
IBNR reserves	1,552,251	526,930	1,024,257	—	191,477	3,294,915
Total	$2,152,253	$796,093	$1,958,249	$—	$ 464,831	$5,371,426

118

Table of Contents

Unpaid losses and loss adjustment expenses were $10.3 billion and $5.4 billion at December 31, 2013 and 2012, respectively. The decrease in the Excess and Surplus Lines segment's loss reserves in 2013 was due in part to a decrease in IBNR reserves, primarily as a result of a decrease in the severity and frequency of losses on our professional and products liability and casualty programs, as actual claims reporting patterns on prior accident years have been more favorable than we initially anticipated. The increase in the Specialty Admitted segment's loss reserves in 2013 was primarily due to increased premium volume in 2013 compared to 2012. See note 9 of the notes to consolidated financial statements and "Critical Accounting Estimates" for a discussion of estimates and assumptions related to unpaid losses and loss adjustment expenses.

The following table summarizes our contractual cash payment obligations at December 31, 2013.

	Payments Due by Period [1]				
(dollars in thousands)	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Senior long-term debt and other debt[2]	$3,560,302	$157,186	$271,886	$348,073	$2,783,157
Operating leases	299,723	32,783	52,091	54,395	160,454
Abbey acquisition commitment	190,000	190,000	—	—	—
Unpaid losses and loss adjustment expenses (estimated)	10,125,592	2,104,431	3,163,505	1,763,568	3,094,088
Life and annuity benefits (estimated)	2,072,013	105,971	201,227	187,320	1,577,495
Total	$16,247,630	$2,590,371	$3,688,709	$2,353,356	$7,615,194

(1) See notes 2, 9, 10, 11 and 17 of the notes to consolidated financial statements for further discussion of these obligations.

(2) Amounts include interest.

Senior long-term debt and other debt, excluding unamortized discount, was $2.3 billion and $1.5 billion at December 31, 2013 and 2012, respectively. Effective July 12, 2013, the capacity of our revolving credit facility was increased from $150 million to $300 million. As of December 31, 2013 and 2012, there were no amounts outstanding under our revolving credit facility. As of December 31, 2013, there were no borrowings outstanding under our $900 million senior credit facility and there were $472.3 million of letters of credit that were issued and outstanding.

We were in compliance with all covenants contained in our revolving and senior credit facilities at December 31, 2013. To the extent that we are not in compliance with our covenants, our access to the credit facilities could be restricted. While we believe this to be unlikely, the inability to access the credit facility could adversely affect our liquidity. See note 11 of the notes to consolidated financial statements for further discussion of our revolving and senior credit facilities.

On October 9, 2013, we made an offer to purchase the entire issued and to be issued share capital of Abbey, an integrated specialty insurance and consultancy group. We completed the acquisition on January 17, 2014 for a total cash purchase price of $190.0 million.

Reserves for unpaid losses and loss adjustment expenses represent future contractual obligations associated with property and casualty insurance and reinsurance contracts issued to our policyholders or other insurance companies. Information presented in the table of contractual cash payment obligations is an estimate of our future payment of claims as of December 31, 2013. Payment patterns for losses and loss adjustment expenses were generally based upon historical claims patterns. Each claim is settled individually based upon its merits and certain claims may take years to settle, especially if legal action is involved. The actual cash payments for settled claims will vary, possibly significantly, from the estimates shown in the preceding table. The unpaid losses and loss adjustment expenses in the table above are our gross estimates of known liabilities as of December 31, 2013. The expected payments by period

are the estimated payments at a future time, whereas the reserves for unpaid losses and loss adjustment expenses included in the consolidated balance sheet include the unamortized portion of the fair value adjustment recorded at the Acquisition Date for unpaid losses and loss adjustment expenses assumed in the Alterra acquisition.

119

Table of Contents

Reserves for life and annuity benefits represent future contractual obligations associated with reinsurance contracts issued to other insurance companies. Information presented in the table of contractual cash payment obligations is an estimate of our future payment of benefits as of December 31, 2013. The assumptions used in estimating the likely payments due by period are based on cedent experience, industry mortality tables, and our expense experience. Due to the inherent uncertainty in the process of estimating the timing of such payments, there is a risk that the amounts paid in any such period can be significantly different from the estimates shown in the preceding table. The life and annuity benefits in the above table are our gross estimates of known obligations as of December 31, 2013. These obligations are computed on a net present value basis in the consolidated balance sheet as of December 31, 2013, whereas the expected payments by period in the table above are the estimated payments at a future time and do not reflect a discount of the amount payable.

At December 31, 2013, we had unrecognized tax benefits of $18.2 million related to uncertain tax positions. Due to the high degree of uncertainty regarding the timing of potential future cash flows associated with our unrecognized tax benefits, we are unable to make a reasonably reliable estimate of the amount and period in which any liabilities might be paid. See note 8 of the notes to consolidated financial statements for further discussion of our expectations regarding changes in unrecognized tax benefits during 2014.

At December 31, 2013, we had $5.2 billion of invested assets or other assets held in trust or on deposit for the benefit of policyholders or ceding companies or to support underwriting activities. Additionally, we have pledged investments and cash and cash equivalents totaling $695.1 million at December 31, 2013 as security for letters of credit that have been issued by various banks on our behalf. These invested assets and the related liabilities are included on our consolidated balance sheet. See note 3(h) of the notes to consolidated financial statements for further discussion of restrictions over our invested assets.

Our insurance operations require capital to support premium writings, and we remain committed to maintaining adequate capital and surplus at each of our insurance subsidiaries. The National Association of Insurance Commissioners (NAIC) developed a model law and risk-based capital formula designed to help regulators identify domestic property and casualty insurers that may be inadequately capitalized. Under the NAIC's requirements, a domestic insurer must maintain total capital and surplus above a calculated threshold or face varying levels of regulatory action. Capital adequacy of our foreign insurance subsidiaries is regulated by applicable laws of the United Kingdom, Bermuda and other jurisdictions. At December 31, 2013, the capital and surplus of each of our insurance subsidiaries significantly exceeded the amount of statutory capital and surplus necessary to satisfy regulatory requirements.

We have access to various capital sources, including dividends from certain of our insurance subsidiaries, holding company invested assets, undrawn capacity under our revolving and senior credit facilities and access to the debt and equity capital markets. We believe that we have sufficient liquidity to meet our capital needs.

Market Risk Disclosures

Market risk is the risk of economic losses due to adverse changes in the estimated fair value of a financial instrument as the result of changes in equity prices, interest rates, foreign currency exchange rates and commodity prices. Our consolidated balance sheets include assets and liabilities with estimated fair values that are subject to market risk. Our primary market risks have been equity price risk associated with investments in equity securities, interest rate risk associated with investments in fixed maturities and foreign currency exchange rate risk associated with our international operations. Various companies within our Markel Ventures operations are subject to commodity risk; however, this risk is not material to the Company.

Credit risk is the potential loss resulting from adverse changes in an issuer's ability to repay its debt obligations. General concern exists about the number of municipalities experiencing financial difficulties in light of the adverse economic conditions experienced over the past several years. We manage the exposure to credit risk in our municipal bond portfolio by investing in high quality securities and by diversifying our holdings, which are typically either general obligation or revenue bonds related to essential products and services.

We monitor our investment portfolio to ensure that credit risk does not exceed prudent levels. We have consistently invested in high credit quality, investment grade securities. Our fixed maturity portfolio has an average rating of "AA," with approximately 97% rated "A" or better by at least one nationally recognized rating organization. Our policy is to invest in investment grade securities and to minimize investments in fixed maturities that are unrated or rated below investment grade. At December 31, 2013, less than 1% of our fixed maturity portfolio was unrated or rated below investment grade. Our fixed maturity portfolio includes securities issued with financial guaranty insurance. We purchase fixed maturities based on our assessment of the credit quality of the underlying assets without regard to insurance.

Table of Contents

Our fixed maturity portfolio includes securities issued by foreign governments. General concern exists about the financial difficulties facing certain European countries in light of the adverse economic conditions experienced over the past several years. We monitor developments in foreign countries, currencies and issuers that could pose risks to our fixed maturity portfolio, including ratings downgrades, political and financial changes and the widening of credit spreads. We believe that our fixed maturity portfolio is highly diversified and is comprised of high quality securities.

We obtain information from news services, rating agencies and various financial market participants to assess potential negative impacts on a country or company's financial risk profile. We analyze concentrations within our fixed maturity portfolio by country, currency and issuer, which allows us to assess our level of diversification with respect to these exposures, reduce troubled exposures should they occur and mitigate any future financial distress that these exposures could cause. The following tables present the estimated fair values of foreign exposures included in our fixed maturity portfolio.

	December 31, 2013			
(dollars in thousands)	Sovereign	Non-Sovereign Financial Institutions	Non-Sovereign Non-Financial Institutions	Total
European exposures:				
Portugal, Ireland, Italy, Greece and Spain	$—	$42,966	$2,684	$45,650
Eurozone (excluding Portugal, Ireland, Italy, Greece and Spain)	888,653	319,343	159,509	1,367,505
Supranationals	—	226,462	—	226,462
Other	85,478	184,681	183,646	453,805
Total European exposures	974,131	773,452	345,839	2,093,422
All other foreign (non-European) exposures	486,923	138,960	141,601	767,484
Total foreign exposures	$1,461,054	$912,412	$487,440	$2,860,906

	December 31, 2012			
(dollars in thousands)	Sovereign	Non-Sovereign Financial Institutions	Non-Sovereign Non-Financial Institutions	Total
European exposures:				
Portugal, Ireland, Italy, Greece and Spain	$—	$36,233	$2,641	$38,874
Eurozone (excluding Portugal, Ireland, Italy, Greece and Spain)	146,173	170,758	102,952	419,883
Supranationals	—	113,025	—	113,025
Other	6,442	19,803	71,132	97,377
Total European exposures	152,615	339,819	176,725	669,159
All other foreign (non-European) exposures	403,993	73,019	54,420	531,432
Total foreign exposures	$556,608	$412,838	$231,145	$1,200,591

The estimated fair value of our investment portfolio at December 31, 2013 was $17.6 billion, 82% of which was invested in fixed maturities, short-term investments, cash and cash equivalents and restricted cash and cash equivalents and 18% of which was invested in equity securities. At December 31, 2012, the estimated fair value of our investment portfolio was $9.3 billion, 74% of which was invested in fixed maturities, short-term investments, cash and cash equivalents and restricted cash and cash equivalents and 26% of which was invested in equity securities.

121

Table of Contents

Our fixed maturities, equity securities and short-term investments are recorded at fair value, which is measured based upon quoted prices in active markets, if available. We determine fair value for these investments after considering various sources of information, including information provided by a third party pricing service. The pricing service provides prices for substantially all of our fixed maturities and equity securities. In determining fair value, we generally do not adjust the prices obtained from the pricing service. We obtain an understanding of the pricing service's valuation methodologies and related inputs, which include, but are not limited to, reported trades, benchmark yields, issuer spreads, bids, offers, duration, credit ratings, estimated cash flows and prepayment speeds. We validate prices provided by the pricing service by reviewing prices from other pricing sources and analyzing pricing data in certain instances.

Equity Price Risk

We invest a portion of shareholder funds in equity securities, which have historically produced higher long-term returns relative to fixed maturities. We seek to invest in profitable companies, with honest and talented management, that exhibit reinvestment opportunities and capital discipline, at reasonable prices. We intend to hold these investments over the long term and focus on long-term total investment return, understanding that the level of unrealized gains or losses on investments may vary from one period to the next. The changes in the estimated fair value of the equity portfolio are presented as a component of shareholders' equity in accumulated other comprehensive income, net of taxes. See note 3(a) of the notes to consolidated financial statements for disclosure of gross unrealized gains and losses by investment category.

At December 31, 2013, our equity portfolio was concentrated in terms of the number of issuers and industries. Such concentrations can lead to higher levels of price volatility. At December 31, 2013, our ten largest equity holdings represented $1.5 billion, or 46%, of the equity portfolio. Investments in the property and casualty insurance industry represented $568.3 million, or 17%, of our equity portfolio at December 31, 2013. Our investments in the property and casualty insurance industry included a $371.1 million investment in the common stock of Berkshire Hathaway Inc., a company whose subsidiaries engage in a number of diverse business activities in addition to insurance. We have investment guidelines that set limits on the equity holdings of our insurance subsidiaries.

The following table summarizes our equity price risk and shows the effect of a hypothetical 35% increase or decrease in market prices as of December 31, 2013 and 2012. The selected hypothetical changes do not indicate what could be the potential best or worst case scenarios.

(dollars in millions)	Estimated Fair Value	Hypothetical Price Change	Estimated Fair Value after Hypothetical Change in Prices	Estimated Hypothetical Percentage Increase (Decrease) in Shareholders' Equity	
As of December 31, 2013					
Equity securities	$3,252	35% increase	$4,390	11.4	%
		35% decrease	2,114	(11.4	)%
As of December 31, 2012					
Equity securities	$2,407	35% increase	$3,249	14.7	%
		35% decrease	1,565	(14.7	)%

Interest Rate Risk

Our fixed maturity investments and borrowings are subject to interest rate risk. Increases and decreases in interest rates typically result in decreases and increases, respectively, in the fair value of these financial instruments.

The majority of our investable assets come from premiums paid by policyholders. These funds are invested predominantly in high quality corporate, government and municipal bonds with relatively short durations. The fixed maturity portfolio, including short-term investments and cash and cash equivalents, has an average duration of 3.4 years and an average rating of "AA." See note 3(c) of the notes to consolidated financial statements for disclosure of contractual maturity dates of our fixed maturity portfolio. The changes in the estimated fair value of the fixed maturity portfolio are presented as a component of shareholders' equity in accumulated other comprehensive income, net of taxes.

We work to manage the impact of interest rate fluctuations on our fixed maturity portfolio. The effective duration of the fixed maturity portfolio is managed with consideration given to the estimated duration of our liabilities. We have investment guidelines that limit the maximum duration and maturity of the fixed maturity portfolio.

Table of Contents

We use a commercially available model to estimate the effect of interest rate risk on the fair values of our fixed maturity portfolio and borrowings. The model estimates the impact of interest rate changes on a wide range of factors including duration, prepayment, put options and call options. Fair values are estimated based on the net present value of cash flows, using a representative set of possible future interest rate scenarios. The model requires that numerous assumptions be made about the future. To the extent that any of the assumptions are invalid, incorrect estimates could result. The usefulness of a single point-in-time model is limited, as it is unable to accurately incorporate the full complexity of market interactions.

The following table summarizes our interest rate risk and shows the effect of hypothetical changes in interest rates as of December 31, 2013 and 2012. The selected hypothetical changes do not indicate what could be the potential best or worst case scenarios.

(dollars in millions)	Estimated Fair Value	Hypothetical Change in Interest Rates (bp=basis points)	Estimated Fair Value after Hypothetical Change in Interest Rates	Hypothetical Percentage Increase (Decrease) in Fair Value of Fixed Maturities	Hypothetical Percentage Increase (Decrease) in Shareholders' Equity
Fixed Maturity Investments					
As of December 31, 2013					
Total fixed maturity investments	$10,143	200 bp decrease	$ 11,231	10.7 %	10.9 %
		100 bp decrease	10,661	5.1 %	5.2 %
		100 bp increase	9,636	(5.0)%	(5.1)%
		200 bp increase	9,163	(9.7)%	(9.8)%
As of December 31, 2012					
Total fixed maturity investments	$4,979	200 bp decrease	$ 5,376	8.0 %	7.1 %
		100 bp decrease	5,175	3.9 %	3.5 %
		100 bp increase	4,777	(4.1)%	(3.6)%
		200 bp increase	4,560	(8.4)%	(7.4)%
Liabilities (1)					
As of December 31, 2013					
Borrowings	$2,372	200 bp decrease	$ 2,752		
		100 bp decrease	2,550		
		100 bp increase	2,213		
		200 bp increase	2,072		
As of December 31, 2012					
Borrowings	$1,688	200 bp decrease	$ 1,916		
		100 bp decrease	1,796		
		100 bp increase	1,591		
		200 bp increase	1,503		

(1) Changes in estimated fair value have no impact on shareholders' equity.

Foreign Currency Exchange Rate Risk

We have foreign currency exchange rate risk associated with our assets and liabilities. We manage this risk primarily by matching assets and liabilities in each foreign currency, other than goodwill and intangible assets, as closely as possible. To assist with the matching of assets and liabilities in foreign currencies, we periodically purchase foreign currency forward contracts and we purchase or sell foreign currencies in the open market. Our forward contracts are generally designated as specific hedges for financial reporting purposes. As such, realized and unrealized gains and losses on these hedges are recorded as currency translation adjustments and are part of other comprehensive income. Our contracts generally have maturities of three months. As of December 31, 2013 and 2012, the carrying value of

goodwill and intangible assets denominated in a foreign currency, which is not matched or hedged, was $86.3 million and $91.7 million, respectively.

123

Table of Contents

At December 31, 2013 and 2012, approximately 83% and 88%, respectively, of our invested assets were denominated in United States Dollars. At those dates, the largest foreign currency exposure within our invested assets was United Kingdom Sterling. At December 31, 2013 and 2012, substantially all of our assets and liabilities denominated in foreign currencies were either matched or hedged, and therefore, we have no material foreign currency exposure.

Impact of Inflation

Property and casualty insurance premiums are established before the amount of losses and loss adjustment expenses, or the extent to which inflation may affect such expenses, is known. Consequently, in establishing premiums, we attempt to anticipate the potential impact of inflation. We also consider inflation in the determination and review of reserves for losses and loss adjustment expenses and life and annuity benefits since portions of these reserves are expected to be paid over extended periods of time. This is especially true for our long-tailed lines of business. Alterra previously offered life and annuity reinsurance products. Although this business is in run-off, we must monitor the effects inflation and changing interest rates have on the related reserves. We regularly complete loss recognition testing to ensure that held reserves are sufficient to meet our future claim obligations in the current investment environment.

Controls and Procedures

As of December 31, 2013, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Securities Exchange Act Rule 13a-15 (Disclosure Controls). This evaluation was conducted under the supervision and with the participation of our management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

Our management, including the CEO and CFO, does not expect that our Disclosure Controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based upon our controls evaluation, the CEO and CFO concluded that effective Disclosure Controls were in place to ensure that the information required to be disclosed in reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we carried out an evaluation, under the supervision and with the participation of our management, including the CEO and the CFO, of the effectiveness of our internal control over financial reporting as of December 31, 2013. See Management's Report on Internal Control over Financial Reporting and our independent registered public accounting firm's attestation report on the effectiveness of our internal control over financial reporting.

During the fourth quarter of 2013, we implemented the Hyperion Financial Management financial consolidation software application for Markel Ventures. This application allows us to more efficiently perform the financial consolidation of the Markel Ventures affiliates and associated financial reporting. Application based security provides an enhanced control environment related to Markel Ventures financial reporting.

There were no other changes in our internal control over financial reporting during the fourth quarter of 2013 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

124

Table of Contents

Safe Harbor and Cautionary Statement

This report contains statements concerning or incorporating our expectations, assumptions, plans, objectives, future financial or operating performance and other statements that are not historical facts. These statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may use words such as "anticipate," "believe," "estimate," "expect," "intend," "predict," "project" and similar expressions as they relate to us or our management.

There are risks and uncertainties that may cause actual results to differ materially from predicted results in forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Additional factors that could cause actual results to differ from those predicted are set forth under "Risk Factors" or are included in the items listed below:

- our anticipated premium volume is based on current knowledge and assumes no significant man-made or natural catastrophes, no significant changes in products or personnel and no adverse changes in market conditions;
- the effect of cyclical trends, including demand and pricing in the insurance and reinsurance markets;
- actions by competitors, including consolidation, and the effect of competition on market trends and pricing;
- we offer insurance and reinsurance coverage against terrorist acts in connection with some of our programs, and in other instances we are legally required to offer terrorism insurance; in both circumstances, we actively manage our exposure, but if there is a covered terrorist attack, we could sustain material losses;
- the frequency and severity of man-made and natural catastrophes (including earthquakes and weather-related catastrophes) may exceed expectations, are unpredictable and, in the case of weather-related catastrophes, may be exacerbated if, as many forecast, conditions in the oceans and atmosphere result in increased hurricane or other adverse weather-related activity;
- emerging claim and coverage issues, changing legal and social trends, and inherent uncertainties (including but not limited to those uncertainties associated with our A&E reserves) in the loss estimation process can adversely impact the adequacy of loss reserves and the allowance for reinsurance recoverables;
- reinsurance reserves are subject to greater uncertainty than insurance reserves primarily because of reliance upon the original underwriting decisions made by ceding companies and the longer lapse of time from the occurrence of loss events to their reporting to the reinsurer for ultimate resolution;
- changes in the assumptions and estimates used in establishing reserves for our life and annuity reinsurance book (which is in runoff), for example, mortality, longevity, morbidity and interest rates, could result in material increases in our estimated loss reserves for such business;
- adverse developments in insurance coverage litigation or other legal or administrative proceedings could result in material increases in our estimates of loss reserves;
- the failure of any loss limitation methods employed;
- changes in the availability, costs and quality of reinsurance coverage which may impact our ability to write certain lines of business;
- industry and economic conditions can affect the ability or willingness of reinsurers to pay balances due;
- after the commutation of ceded reinsurance contracts, any subsequent adverse development in the re-assumed loss reserves will result in a charge to earnings;
- regulatory actions can impede our ability to charge adequate rates and efficiently allocate capital;
- economic conditions, actual or potential defaults in sovereign debt obligations, volatility in interest and foreign currency exchange rates and changes in market value of concentrated investments can have a significant impact on the fair value of fixed maturities and equity securities, as well as the carrying value of other assets and liabilities, and this impact may be heightened by market volatility;
- economic conditions; changes in government support for education, healthcare and infrastructure projects; changes in capital spending levels; changes in the housing market; and volatility in interest and foreign currency exchange rates,

among other factors, may adversely affect the markets served by our Markel Ventures operations and negatively impact their revenues and profitability;

125

Table of Contents

- economic conditions may adversely affect access to capital and credit markets;
- we have substantial investments in municipal bonds (approximately $3.1 billion at December 31, 2013) and, although no more than 10% of our municipal bond portfolio is tied to any one state, widespread defaults could adversely affect our results of operations and financial condition;
- we cannot predict the extent and duration of the current period of slow economic growth; the continuing effects of government intervention into the markets to address the financial crisis of 2008 and 2009 (including, among other things, the effects of the Dodd-Frank Wall Street Reform and Consumer Protection Act and regulations adopted thereunder); the outcome of economic and currency concerns in the Eurozone; material changes to the monetary policies of the U.S. Federal Reserve; and their combined impact on our industry, business and investment portfolio;
- we cannot predict the impact of the implementation of U.S. health care reform legislation and regulations under that legislation on our business;
- our business is dependent upon the successful functioning and security of our computer systems; if our information technology systems fail or suffer a security breach, our business or reputation could be adversely impacted;
- we have recently completed a number of acquisitions, the most significant of which was our 2013 acquisition of Alterra, and may engage in additional acquisition activity in the future, which may increase operational and control risks for a period of time;
- the amount of the costs and charges related to our acquisition and integration of Alterra and related restructuring may exceed our expectations;
- we may not realize the contemplated benefits, including cost savings and synergies, of our acquisitions, including those anticipated from the acquisition of Alterra and related restructuring;
- any determination requiring the write-off of a significant portion of our goodwill and intangible assets, including $295.7 million and $207.5 million, respectively, recorded in connection with the acquisition of Alterra;
- loss of services of any executive officers or other key personnel could impact our operations;
- our expanding international operations expose us to increased investment, political and economic risks, including foreign currency and credit risk; and
- adverse changes in our assigned financial strength or debt ratings could impact our ability to attract and retain business or obtain capital.

Our premium volume, underwriting and investment results and results from our non-insurance operations have been and will continue to be potentially materially affected by these factors. By making forward-looking statements, we do not intend to become obligated to publicly update or revise any such statements whether as a result of new information, future events or other changes. Readers are cautioned not to place undue reliance on any forward-looking statements which speak only as at their dates.

Table of Contents

OTHER INFORMATION

Performance Graph

The following graph compares the cumulative total return (based on share price) on our common stock with the cumulative total return of companies included in the S&P 500 Index and the Dow Jones Property & Casualty Insurance Companies Index. This information is not necessarily indicative of future results.

	Years Ended December 31,					
	2008 [(1)]	2009	2010	2011	2012	2013
Markel Corporation	$100	$114	$126	$139	$145	$194
S&P 500	100	126	146	149	172	228
Dow Jones Property & Casualty Insurance	100	109	129	136	162	215

[(1)] $100 invested on December 31, 2008 in our common stock or the listed index. Includes reinvestment of dividends.

Market and Dividend Information

Our common stock trades on the New York Stock Exchange under the symbol MKL. The number of shareholders of record as of February 10, 2014 was approximately 400. The total number of shareholders, including those holding shares in street name or in brokerage accounts, is estimated to be in excess of 80,000. Our current strategy is to retain earnings and, consequently, we have not paid and do not expect to pay a cash dividend on our common stock.

High and low common stock prices as reported on the New York Stock Exchange composite tape for 2013 were $582.59 and $434.98, respectively. See note 24 of the notes to consolidated financial statements for additional common stock price information.

Table of Contents

Available Information and Shareholder Relations

This document represents Markel Corporation's Annual Report and Form 10-K, which is filed with the Securities and Exchange Commission.

Information about Markel Corporation, including exhibits filed as part of this Form 10-K, may be obtained by writing Mr. Bruce Kay, Investor Relations, at the address of the corporate offices listed below, or by calling (800) 446-6671.

We make available free of charge on or through our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. Our website address is www.markelcorp.com.

Transfer Agent

American Stock Transfer & Trust Co., LLC, Operations Center, 6201 15th Avenue, Brooklyn, NY 11219
(800) 937-5449 (718) 921-8124

Code of Conduct

We have adopted a code of business conduct and ethics (Code of Conduct) which is applicable to all directors and associates, including executive officers. We have posted the Code of Conduct on our website at www.markelcorp.com. We intend to satisfy applicable disclosure requirements regarding amendments to, or waivers from, provisions of our Code of Conduct by posting such information on our website. Shareholders may obtain printed copies of the Code of Conduct by writing Mr. Bruce Kay, Investor Relations, at the address of the corporate offices listed below, or by calling (800) 446-6671.

Annual Shareholders' Meeting

Shareholders of Markel Corporation are invited to attend the Annual Meeting to be held at Richmond CenterStage, 600 East Grace Street, Richmond, Virginia at 4:30 p.m., May 12, 2014.

Corporate Offices

Markel Corporation, 4521 Highwoods Parkway, Glen Allen, Virginia 23060-6148
(804) 747-0136 (800) 446-6671

Table of Contents

Executive Officers

Alan I. Kirshner
Chairman of the Board and Chief Executive Officer since 1986. Director since 1978. Age 78.

Anthony F. Markel
Vice Chairman since May 2008. President and Chief Operating Officer from March 1992 to May 2008. Director since 1978. Age 72.

Steven A. Markel
Vice Chairman since March 1992. Director since 1978. Age 65.

F. Michael Crowley
President and Co-Chief Operating Officer since May 2010. President, Markel Specialty from February 2009 to May 2010. President of Willis HRH North America from October 2008 to January 2009. President of Hilb Rogal & Hobbs Company from September 2005 to October 2008. Age 62.

Thomas S. Gayner
President and Chief Investment Officer since May 2010. Chief Investment Officer since January 2001. President, Markel-Gayner Asset Management Corporation, a subsidiary, since December 1990. Director from 1998 to 2004. Age 52.

Richard R. Whitt, III
President and Co-Chief Operating Officer since May 2010. Senior Vice President and Chief Financial Officer from May 2005 to May 2010. Age 50.

Gerard Albanese, Jr.
Executive Vice President and Chief Underwriting Officer since May 2010. Chief Underwriting Officer since January 2009. President and Chief Operating Officer, Markel International Limited, a subsidiary, from September 2003 to August 2008. Age 61.

Britton L. Glisson
Chief Administrative Officer since February 2009. President, Markel Insurance Company, a subsidiary, from October 1996 to March 2009. Age 57.

Bradley J. Kiscaden
Executive Vice President and Chief Actuarial Officer since July 2012. Chief Actuarial Officer since March 1999. Age 51.

Anne G. Waleski
Vice President and Chief Financial Officer since May 2010. Treasurer from August 2003 to November 2011. Age 47.

Table of Contents

EXHIBIT INDEX

Exhibit No.	Document Description
2.1	Agreement and Plan of Merger, dated as of December 18, 2012, by and among Alterra Capital Holdings Limited, Markel Corporation and Commonwealth Merger Subsidiary Limited (2.1)[a]
3(i)	Amended and Restated Articles of Incorporation (3.1)[b]
3(ii)	Bylaws, as amended (3.1)[c]
4.1	Form of Amended and Restated Credit Agreement dated as of September 23, 2011 among Markel Corporation, the lenders party thereto and SunTrust Bank, as Administrative Agent (4.1)[d]
4.2	Form of Consent dated as of June 25, 2012 regarding Amended and Restated Credit Agreement dated as of September 23, 2011 among Markel Corporation, the lenders party thereto and SunTrust Bank, as Administrative Agent (4.2)[e]
4.3	Form of First Amendment to the Amended and Restated Credit Agreement dated as of February 28, 2013 among Markel Corporation, the lenders party thereto and SunTrust Bank, as Administrative Agent (4.3)[f]
4.4	Form of Second Amendment to the Amended and Restated Credit Agreement dated as of July 12, 2013 among Markel Corporation, the lenders party thereto and SunTrust Bank, as Administrative Agent (10.2)[g]
4.5	Credit agreement, dated as of December 16, 2011, among Alterra Capital Holdings Limited, Alterra Bermuda Limited (n/k/a Markel Bermuda Limited), the lenders parties thereto and Bank of America, N.A., as Administrative Agent (4.5)[h]
4.6	Amendment No.1 dated as of February 7, 2013, to the Credit Agreement among Alterra Capital Holdings Limited, Alterra Bermuda Limited (n/k/a Markel Bermuda Limited), the lenders parties thereto and Bank of America, N.A., as Administrative Agent (4.6)[h]
4.7	Indenture dated as of June 5, 2001 between Markel Corporation and The Chase Manhattan Bank, as Trustee (4.1)[i]
4.8	Form of Third Supplemental Indenture dated as of August 13, 2004 between Markel Corporation and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (4.2)[j]
4.9	Form of Fifth Supplemental Indenture dated as of September 22, 2009 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (4.2)[k]
4.10	Form of Sixth Supplemental Indenture dated as of June 1, 2011 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (4.2)[l]

4.11	Form of Seventh Supplemental Indenture dated as of July 2, 2012 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (4.2)[m]
4.12	Form of Eighth Supplemental Indenture dated as of March 8, 2013 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (4.2)[n]
4.13	Form of Ninth Supplemental Indenture dated as of March 8, 2013 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (4.3)[n]
4.14	Indenture dated as of September 1, 2010, among Alterra Finance LLC, Alterra Capital Holdings Limited and The Bank of New York Mellon, as Trustee (4.14)[h]
4.15	Form of First Supplemental Indenture, dated as of September 27, 2010 between Alterra Finance LLC, Alterra Capital Holdings Limited and The Bank of New York Mellon, as Trustee, including the form of the securities as Exhibit A (4.15)[h]

The registrant hereby agrees to furnish to the Securities and Exchange Commission a copy of all instruments defining the rights of holders of long-term debt of the registrant's subsidiaries shown on the Consolidated Balance Sheet of the registrant at December 31, 2013, and the respective Notes thereto, included in this Annual Report on Form 10-K.

Table of Contents

Exhibit No.	Document Description
10.1	Markel Corporation 2012 Equity Incentive Compensation Plan (Appendix A)[o]
10.2	Form of Amended and Restated Employment Agreement with Alan I. Kirshner (10.2)[p]
10.3	Form of Amended and Restated Employment Agreement with Steven A. Markel (10.3)[p]
10.4	Form of Amended and Restated Employment Agreement with Anthony F. Markel (10.4)[p]
10.5	Form of Executive Employment Agreement with F. Michael Crowley, Thomas S. Gayner, Richard R. Whitt, III, Gerard Albanese, Jr., Britton L. Glisson, Anne G. Waleski and Bradley J. Kiscaden (10.5)[p]
10.6	Schedule of Base Annual Salaries for Executive Officers effective May 1, 2013 and Restricted Stock Units awarded on May 13, 2013 (10.1)[h]
10.7	Markel Corporation Executive Bonus Plan (10.3)[q]
10.8	Description of Awards Under Executive Bonus Plan and 2012 Equity Incentive Compensation Plan for 2013 (10.1)[f]
10.9	Employee Stock Purchase and Bonus Plan (10.9)[p]
10.10	Markel Corporation Omnibus Incentive Plan (Appendix B)[r]
10.11	Form of Restricted Stock Award Agreement for Outside Directors (10.2)[s]
10.12	Form of Restricted Stock Unit Award Agreement for Executive Officers under the Markel Corporation Omnibus Incentive Plan(10.1)[t]
10.13	Form of Restricted Stock Unit Award Agreement for Executive Officers under the Markel Corporation 2012 Equity Incentive Compensation Plan (10.1)[u]
10.14	Form of 2009 Restricted Stock Unit Award Agreement for Executive Officers (10.2)[v]
10.15	Form of Restricted Stock Unit Award Agreement for Executive Officers (revised 2010) (10.2)[w]
10.16	Form of Amended and Restated May 2010 Restricted Stock Unit Award Agreement for Executive Officers (10.1)[x]
10.17	May 2010 Restricted Stock Units Deferral Election Form (10.2)[x]
10.18	Description of Permitted Acceleration of Vesting Date of Restricted Stock Units by Up to Thirty Days (10.2)[y]
10.19	Form of May 2011 Restricted Stock Unit Award Agreement for Anne Waleski (10.1)[b]
10.20	Description of Non-Employee Director Compensation [z]

10.21	Aspen Holdings, Inc. Amended and Restated 2008 Stock Option Plan (99.1)[aa]
10.22	Form of Time Based Restricted Stock Unit Award Agreement for Executive Officers for the 2012 Equity Incentive Compensation Plan (10.22)[ab]
10.23	Form of Performance Based Restricted Stock Unit Award Agreement for Executive Officers for the 2012 Equity Incentive Compensation Plan (10.23)[ab]
10.24	Restricted Stock Units Deferral Election Form for the 2012 Equity Incentive Compensation Plan (10.24)[ab]
10.25	Alterra Capital Holdings Limited 2008 Stock Incentive Plan (99.1)[ac]
10.26	Alterra Capital Holdings Limited 2006 Equity Incentive Plan (99.2)[ac]
10.27	Alterra Capital Holdings Limited 2000 Stock Incentive Plan (99.3)[ac]
10.28	Joinder Agreement, dated July 12, 2013, by and among Markel Corporation, JPMorgan Chase Bank, N.A. and SunTrust Bank, as Administrative Agent (10.1)[g]
21	Certain Subsidiaries of Markel Corporation**
23	Consent of KPMG LLP**
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/ 15d-14(a)**

Table of Contents

31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/ 15d-14(a)**
32.1	Certification of Principal Executive Officer furnished Pursuant to 18 U.S.C. Section 1350**
32.2	Certification of Principal Financial Officer furnished Pursuant to 18 U.S.C. Section 1350**
101	The following consolidated financial statements from Markel Corporation's Annual Report on Form 10-K for the year ended December 31, 2013, filed on February 28, 2014, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income and Comprehensive Income, (iii) Consolidated Statements of Changes in Equity, (iv) Consolidated Statements of Cash Flows and (v) Notes to Consolidated Financial Statements.**

Markel agrees to furnish supplementally a copy of any omitted exhibits or schedules to the SEC upon request.
** Filed with this report

a. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on December 19, 2012.
b. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on May 13, 2011.
c. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on November 18, 2011.
d. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended September 30, 2011.
e. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended June 30, 2012.
f. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended March 31, 2013.
g. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on July 15, 2013.
h. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended June 30, 2013.
i. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on June 5, 2001.
j. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on August 11, 2004.
k. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on September 21, 2009.
l. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on May 31, 2011.
m. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on June 29, 2012.
n. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on March 7, 2013.
o. Incorporated by reference from the Appendix shown in parentheses filed with the Commission in the Registrant's Proxy Statement and Definitive 14A filed March 16, 2012.
p. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-K for the year ended December 31, 2008.
q.

Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on May 27, 2005.

r. Incorporated by reference from the Appendix shown in parentheses filed with the Commission in the Registrant's Proxy Statement and Definitive 14A filed April 2, 2003.

s. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended June 30, 2012.

t. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on March 3, 2008.

u. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 8-K filed on May 17, 2013.

v. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended March 31, 2009.

132

Table of Contents

w. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended March 31, 2010.

x. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended June 30, 2010.

y. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-Q for the quarter ended September 30, 2008.

z. Incorporated by reference from Item 5.02 filed with the Commission in the Registrant's report on Form 8-K filed on May 17, 2013.

aa. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's Registration Statement on Form S-8 (Reg. No. 333-170047).

ab. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's report on Form 10-K for the year ended December 31, 2012.

ac. Incorporated by reference from the Exhibit shown in parentheses filed with the Commission in the Registrant's Registration Statement on Form S-8 (Reg. No. 333-188294).

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MARKEL CORPORATION

By: /s/ Steven A. Markel
Steven A. Markel
Vice Chairman
February 28, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ Alan I. Kirshner Alan I. Kirshner	Chairman of the Board of Directors and Chief Executive Officer	February 28, 2014
/s/ Anthony F. Markel Anthony F. Markel	Director	February 28, 2014
/s/ Steven A. Markel Steven A. Markel	Director	February 28, 2014
/s/ Anne G. Waleski Anne G. Waleski	Vice President and Chief Financial Officer (Principal Financial Officer)	February 28, 2014
/s/ Nora N. Crouch Nora N. Crouch	Controller and Chief Accounting Officer (Principal Accounting Officer)	February 28, 2014
/s/ J. Alfred Broaddus, Jr. J. Alfred Broaddus, Jr.	Director	February 28, 2014
/s/ K. Bruce Connell K. Bruce Connell	Director	February 28, 2014
/s/ Douglas C. Eby Douglas C. Eby	Director	February 28, 2014
/s/ Stewart M. Kasen Stewart M. Kasen	Director	February 28, 2014
/s/ Lemuel E. Lewis Lemuel E. Lewis	Director	February 28, 2014
/s/ Darrell D. Martin Darrell D. Martin	Director	February 28, 2014

/s/ Michael O'Reilly Michael O'Reilly	Director	February 28, 2014
/s/ Jay M. Weinberg Jay M. Weinberg	Director	February 28, 2014
/s/ Debora J. Wilson Debora J. Wilson	Director	February 28, 2014

134