FORM 10−Q

MARKEL CORP − MKL

Filed: May 03, 2005 (period: March 31, 2005)

Quarterly report which provides a continuing view of a company's financial position

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

FORM 10−Q

☒ **Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2005**

or

☐ **Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ______to ______**

Commission File Number 001−15811

MARKEL CORPORATION
(Exact name of registrant as specified in its charter)

Virginia **(State or other jurisdiction of incorporation or organization)**	**54−1959284** **(I.R.S. Employer Identification No.)**

4521 Highwoods Parkway, Glen Allen, Virginia 23060−6148
(Address of principal executive offices)
(Zip Code)

(804) 747−0136
(Registrant's telephone number, including area code)

NONE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b−2 of the Exchange Act).

Yes ☒ No ☐

Number of shares of the registrant's common stock outstanding at April 28, 2005: 9,840,273

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MARKEL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

	March 31, 2005	December 31, 2004
	(dollars in thousands)	
ASSETS		
Investments, available−for−sale, at estimated fair value:		
Fixed maturities (amortized cost of $4,454,271 in 2005 and $4,386,908 in 2004)	$4,479,158	$ 4,477,568
Equity securities (cost of $892,439 in 2005 and $849,071 in 2004)	1,308,549	1,338,526
Short−term investments (estimated fair value approximates cost)	64,163	121,714
Total Investments, Available−For−Sale	5,851,870	5,937,808
Cash and cash equivalents	332,405	378,939
Receivables	400,041	416,086
Reinsurance recoverable on unpaid losses	1,536,065	1,641,276
Reinsurance recoverable on paid losses	112,174	114,746
Deferred policy acquisition costs	199,729	204,579
Prepaid reinsurance premiums	156,450	171,955
Goodwill	339,717	339,717
Other assets	303,784	192,480
Total Assets	$9,232,235	$ 9,397,586
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unpaid losses and loss adjustment expenses	$5,388,173	$ 5,482,367
Unearned premiums	996,219	1,026,296
Payables to insurance companies	98,621	89,636
Convertible notes payable (estimated fair value of $117,000 in 2005 and $124,000 in 2004)	95,823	94,817
Senior long−term debt (estimated fair value of $667,000 in 2005 and $671,000 in 2004)	610,758	610,260
Junior Subordinated Deferrable Interest Debentures (estimated fair value of $162,000 in 2005 and 2004)	150,000	150,000
Other liabilities	264,369	287,707
Total Liabilities	7,603,963	7,741,083
Shareholders' equity:		
Common stock	742,602	742,288
Retained earnings	610,364	537,068
Accumulated other comprehensive income		
Net unrealized holding gains on fixed maturities and equity securities, net of tax expense of $154,348 in 2005 and $203,041 in 2004	286,649	377,074
Cumulative translation adjustments, net of tax benefit of $6,108 in 2005 and tax expense of $39 in 2004	(11,343)	73
Total Shareholders' Equity	1,628,272	1,656,503
Commitments and contingencies		
Total Liabilities and Shareholders' Equity	$9,232,235	$ 9,397,586

See accompanying notes to consolidated financial statements.

MARKEL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income and Comprehensive Income (Loss)

	Three Months Ended March 31,	
	2005	2004
	(dollars in thousands, except per share data)	
OPERATING REVENUES		
Earned premiums	$ 494,637	$505,392
Net investment income	58,792	48,663
Net realized investment gains	16,750	7,393
Total Operating Revenues	570,179	561,448
OPERATING EXPENSES		
Losses and loss adjustment expenses	286,555	326,334
Underwriting, acquisition and insurance expenses	159,506	160,063
Total Operating Expenses	446,061	486,397
Operating Income	124,118	75,051
Interest expense	15,950	12,881
Income Before Income Taxes	108,168	62,170
Income tax expense	32,450	19,894
Net Income	$ 75,718	$ 42,276
OTHER COMPREHENSIVE INCOME (LOSS)		
Net unrealized gains (losses) on securities, net of taxes		
Net holding gains (losses) arising during the period	$ (79,537)	$ 57,854
Less reclassification adjustments for net gains included in net income	(10,888)	(4,805)
Net unrealized gains (losses)	(90,425)	53,049
Currency translation adjustments, net of taxes	(11,416)	(1,063)
Total Other Comprehensive Income (Loss)	(101,841)	51,986
Comprehensive Income (Loss)	$ (26,123)	$ 94,262
NET INCOME PER SHARE		
Basic	$ 7.69	$ 4.29
Diluted	$ 7.47	$ 4.20

See accompanying notes to consolidated financial statements.

MARKEL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Shareholders' Equity

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
	(dollars in thousands)	
COMMON STOCK		
Balance at beginning of period	$ 742,288	$ 737,356
Restricted stock units expensed	314	428
Balance at end of period	$ 742,602	$ 737,784
RETAINED EARNINGS		
Balance at beginning of period	$ 537,068	$ 375,041
Net income	75,718	42,276
Repurchase of common stock	(2,422)	(2,268)
Balance at end of period	$ 610,364	$ 415,049
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Unrealized gains:		
Balance at beginning of period	$ 377,074	$ 270,819
Net unrealized holding gains (losses) arising during the period, net of taxes	(90,425)	53,049
Balance at end of period	286,649	323,868
Cumulative translation adjustments:		
Balance at beginning of period	73	(937)
Currency translation adjustments, net of taxes (see note 11)	(11,416)	(1,063)
Balance at end of period	(11,343)	(2,000)
Balance at end of period	$ 275,306	$ 321,868
SHAREHOLDERS' EQUITY AT END OF PERIOD	$1,628,272	$1,474,701

See accompanying notes to consolidated financial statements.

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MARKEL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Three Months Ended March 31,	
	2005	**2004**
	(dollars in thousands)	
OPERATING ACTIVITIES		
Net income	$ 75,718	$ 42,276
Adjustments to reconcile net income to net cash provided by operating activities	33,221	12,910
Net Cash Provided By Operating Activities	108,939	55,186
INVESTING ACTIVITIES		
Proceeds from sales of fixed maturities and equity securities	532,994	854,101
Proceeds from maturities, calls and prepayments of fixed maturities	26,594	39,381
Cost of fixed maturities and equity securities purchased	(754,355)	(1,059,421)
Net change in short−term investments	57,551	7,790
Sale of subsidiary, net of cash sold	(13,957)	—
Other	(1,878)	(1,758)
Net Cash Used By Investing Activities	(153,051)	(159,907)
FINANCING ACTIVITIES		
Repurchase of common stock	(2,422)	(2,268)
Net Cash Used By Financing Activities	(2,422)	(2,268)
Decrease in cash and cash equivalents	(46,534)	(106,989)
Cash and cash equivalents at beginning of period	378,939	372,511
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 332,405	$ 265,522

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation

The consolidated balance sheet as of March 31, 2005 and the related consolidated statements of income and comprehensive income (loss), changes in shareholders' equity and cash flows for the three months ended March 31, 2005 and 2004 are unaudited. In the opinion of management, all adjustments necessary for fair presentation of such consolidated financial statements have been included. Such adjustments consist only of normal, recurring items. Interim results are not necessarily indicative of results of operations for the entire year. The consolidated balance sheet as of December 31, 2004 was derived from the Company's audited annual consolidated financial statements.

The consolidated financial statements and notes are presented as permitted by Form 10−Q and do not contain certain information included in the Company's annual consolidated financial statements and notes. Readers are urged to review the Company's 2004 annual report on Form 10−K for a more complete description of the Company's business and accounting policies.

Certain prior year amounts have been reclassified to conform to the current presentation.

2. Net Income per Share

Net income per share was determined by dividing net income by the applicable weighted average shares outstanding.

	Three Months Ended March 31,	
(amounts in thousands, except per share amounts)	**2005**	**2004**
Net income as reported	$75,718	$42,276
Interest expense, net of tax, on convertible notes payable	419	538
Adjusted net income	$76,137	$42,814
Basic common shares outstanding	9,844	9,853
Dilutive effect of convertible notes payable	335	335
Other dilutive potential common shares	8	4
Diluted shares outstanding	10,187	10,192
Basic net income per share	$ 7.69	$ 4.29
Diluted net income per share	$ 7.47	$ 4.20

3. Stock−Based Compensation

The Company applies the intrinsic value recognition and measurement principles of Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employee*s, and related interpretations, in accounting for stock−based compensation plans. The Company has adopted the disclosure−only provisions of Statement of Financial Accounting Standards (Statement) No. 123, *Accounting for Stock−Based Compensation,* as amended by Statement No. 148, *Accounting for Stock−Based Compensation – Transition and Disclosure*.

Stock−based compensation expense, net of taxes, included in net income under APB Opinion No. 25 was $0.4 million and $0.5 million for the three months ended March 31, 2005 and 2004, respectively. Under the fair value method principles of Statement No. 123, pro forma stock−based compensation expense, net of taxes, and pro forma net income would not have differed from reported amounts for the three months ended March 31, 2005 and 2004.

4. Reinsurance

The following table summarizes the effect of reinsurance on premiums written and earned.

	Three Months Ended March 31,			
	2005		2004	
(dollars in thousands)	**Written**	**Earned**	**Written**	**Earned**
Direct	$526,375	$ 567,503	$ 570,114	$ 598,639
Assumed	59,110	30,873	94,741	56,069
Ceded	(90,690)	(103,739)	(126,274)	(149,316)
Net premiums	$494,795	$ 494,637	$ 538,581	$ 505,392

Incurred losses and loss adjustment expenses were net of reinsurance recoverables (ceded incurred losses and loss adjustment expenses) of $24.4 million and $82.9 million for the three months ended March 31, 2005 and 2004, respectively.

5. Junior Subordinated Deferrable Interest Debentures (8.71% Junior Subordinated Debentures)

On January 8, 1997, the Company arranged the sale of $150 million of Company−Obligated Mandatorily Redeemable Preferred Capital Securities (8.71% Capital Securities) issued under an Amended and Restated Declaration of Trust dated January 13, 1997 (the Declaration) by Markel Capital Trust I (the Trust), a statutory business trust sponsored and wholly−owned by the Company. Proceeds from the sale of the 8.71% Capital Securities were used to purchase the Company’s 8.71% Junior Subordinated Debentures due January 1, 2046, issued to the Trust under an indenture dated January 13, 1997 (the Indenture). The 8.71% Junior Subordinated Debentures are the sole assets of the Trust. The Company has the right to defer interest payments on the 8.71% Junior Subordinated Debentures for up to five years. The 8.71% Capital Securities and related 8.71% Junior Subordinated Debentures are redeemable by the Company on or after January 1, 2007. Taken together, the Company’s obligations under the Debentures, the Indenture, the Declaration and a guarantee made by the Company provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of distributions and other amounts due on the 8.71% Capital Securities. No other subsidiary of the Company guarantees the 8.71% Junior Subordinated Debentures or the 8.71% Capital Securities. In the event of default under the Indenture, the Trust may not make distributions on, or repurchases of, the Trust’s common securities. During a period in which the Company elects to defer interest payments or in the event of default under the Indenture, the Company may not make distributions on, or repurchases of, the Company’s capital stock or debt securities ranking equal or junior to the 8.71% Junior Subordinated Debentures.

6. Convertible Notes Payable

During 2001, the Company issued $408.0 million principal amount at maturity, $112.9 million net proceeds, of Liquid Yield Option Notes ™ (LYONs). The LYONs are zero coupon senior notes, which were issued at a price of $283.19 per LYON, representing a yield to maturity of 4.25%. The LYONs mature on June 5, 2031. The Company uses the effective yield method to recognize the accretion of discount from the issue price to the face amount of the LYONs at maturity. The accretion of discount is included in interest expense.

In accordance with their terms, each LYON is convertible into 1.1629 shares of common stock upon the occurrence of certain events. Effective April 1, 2005, each LYON became convertible because the closing price of the Company's common shares exceeded the conversion trigger price of $336.49 for at least 20 of the last 30 consecutive trading days in the quarter ended March 31, 2005. No LYONs have been converted as of the date of this filing; however, holders may convert LYONs at any time through June 4, 2031. Approximately 335,000 shares would be issued if all of the LYONs were to be converted. These shares were included in the Company's calculation of diluted earnings per share for the three months ended March 31, 2005 and 2004.

LYONs holders have the right to require the Company to repurchase the LYONs on June 5th of 2006, 2011, 2016, 2021 and 2026 at their accreted value on these dates as follows:

June 5, 2006	$349.46
June 5, 2011	$431.24
June 5, 2016	$532.16
June 5, 2021	$656.69
June 5, 2026	$810.36

The Company may choose to settle any LYONs tendered for repurchase in cash or common shares of the Company. The Company may redeem the LYONs for cash on or after June 5, 2006 at their accreted value.

The Company will pay contingent cash interest to the holders of the LYONs during the six−month period commencing June 5, 2006 and during any six−month period thereafter if the average market price of a LYON for a specified period equals or exceeds 120% of the sum of the issue price and accrued original issue discount of the LYON.

7. Other Comprehensive Income (Loss)

Other comprehensive income (loss) is primarily comprised of net holding gains (losses) on securities arising during the period less reclassification adjustments for net gains included in net income. Other comprehensive income (loss) also includes foreign currency translation adjustments. The related tax expense (benefit) on net holding gains (losses) on securities arising during the period was $(42.8) million and $31.2 million, respectively, for the three months ended March 31, 2005 and 2004. The related tax expense on the reclassification adjustments for net gains included in net income was $5.9 million and $2.6 million, respectively, for the three months ended March 31, 2005 and 2004. The related tax benefit on foreign currency translation adjustments was $6.1 million and $0.6 million, respectively, for the three months ended March 31, 2005 and 2004.

8. Segment Reporting Disclosures

The Company operates in three segments of the specialty insurance marketplace: the Excess and Surplus Lines, the Specialty Admitted and the London markets.

All investing activities are included in the Investing segment. Discontinued programs and non−strategic insurance subsidiaries are included in Other for purposes of segment reporting.

The Company considers many factors, including the nature of the underwriting units' insurance products, production sources, distribution strategies and regulatory environment in determining how to aggregate operating segments.

Segment profit or loss for each of the Company's operating segments is measured by underwriting profit or loss. The property and casualty insurance industry commonly defines underwriting profit or loss as earned premiums net of losses and loss adjustment expenses and underwriting, acquisition and insurance expenses. Underwriting profit or loss does not replace operating income or net income computed in accordance with U.S. generally accepted accounting principles (U.S. GAAP) as a measure of profitability. Underwriting profit or loss provides a basis for management to evaluate the Company's underwriting performance. Segment profit for the Investing segment is measured by net investment income and net realized investment gains or losses.

The Company does not allocate assets to the Excess and Surplus Lines, Specialty Admitted and London Insurance Market operating segments for management reporting purposes. Total investments and cash and cash equivalents are allocated to the Investing segment. The Company does not allocate capital expenditures for long−lived assets to any of its operating segments for management reporting purposes.

a) The following tables summarize the Company's segment disclosures.

Three Months Ended March 31, 2005

(dollars in thousands)	Excess and Surplus Lines	Specialty Admitted	London Insurance Market	Investing	Other	Consolidated
Gross premium volume	$ 346,207	$66,407	$171,848	$ —	$ 1,023	$ 585,485
Net written premiums	284,989	62,597	146,736	—	473	494,795
Earned premiums	$ 285,492	$68,517	$140,155	$ —	$ 473	$ 494,637
Losses and loss adjustment expenses	152,003	38,075	93,286	—	3,191	286,555
Underwriting, acquisition and insurance expenses	89,132	24,181	50,956	—	(4,763)	159,506
Underwriting profit (loss)	44,357	6,261	(4,087)	—	2,045	48,576
Net investment income	—	—	—	58,792	—	58,792
Net realized investment gains	—	—	—	16,750	—	16,750
Segment profit (loss)	$ 44,357	$ 6,261	$ (4,087)	$75,542	$ 2,045	$ 124,118
Interest expense						15,950
Income before income taxes						$ 108,168
U.S. GAAP combined ratio[1]	84%	91%	103%	—	NM[2]	90%

(1) The U.S. GAAP combined ratio is a measure of underwriting performance and represents the relationship of incurred losses, loss adjustment expenses and underwriting, acquisition and insurance expenses to earned premiums.

(2) NM – Not meaningful.

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Three Months Ended March 31, 2004

(dollars in thousands)	Excess and Surplus Lines	Specialty Admitted	London Insurance Market	Investing	Other	Consolidated
Gross premium volume	$ 362,269	$61,738	$211,046	$ —	$29,802	$ 664,855
Net written premiums	278,001	58,341	177,682	—	24,557	538,581
Earned premiums	$ 275,454	$62,745	$160,007	$ —	$ 7,186	$ 505,392
Losses and loss adjustment expenses	150,089	35,830	134,678	—	5,737	326,334
Underwriting, acquisition and insurance expenses	78,306	21,738	56,264	—	3,755	160,063
Underwriting profit (loss)	47,059	5,177	(30,935)	—	(2,306)	18,995
Net investment income	—	—	—	48,663	—	48,663
Net realized investment gains	—	—	—	7,393	—	7,393
Segment profit (loss)	$ 47,059	$ 5,177	$ (30,935)	$56,056	$ (2,306)	$ 75,051
Interest expense						12,881
Income before income taxes						$ 62,170
U.S. GAAP combined ratio[1]	83%	92%	119%	—	NM[2]	96%

(1) The U.S. GAAP combined ratio is a measure of underwriting performance and represents the relationship of incurred losses, loss adjustment expenses and underwriting, acquisition and insurance expenses to earned premiums.

(2) NM – Not meaningful.

b) The following table reconciles segment assets to the Company's consolidated financial statements.

(dollars in thousands)	March 31, 2005	December 31, 2004
Segment Assets		
Investing	$ 6,184,275	$ 6,316,747
Other	3,047,960	3,080,839
Total Assets	$ 9,232,235	$ 9,397,586

9. Contingencies

On January 31, 2001, the Company received notice of a lawsuit filed in the United States District Court for the Southern District of New York against Terra Nova Insurance Company Limited by Palladium Insurance Limited and Bank of America, N.A. seeking approximately $27 million plus interest and exemplary damages in connection with alleged reinsurance agreements. The discovery phase of this matter ended in late 2004 and a trial date has not yet been determined. The Company believes it has numerous defenses to this claim, including the defense that the alleged reinsurance agreements and insurance policy were not valid. The Company intends to vigorously defend this matter.

This and other contingencies arise in the normal conduct of the Company's operations. In the opinion of management, the resolutions of these contingencies are not expected to have a material impact on the Company's financial condition or results of operations. However, adverse outcomes are possible and could negatively impact the Company's financial condition and results of operations.

10. Employee Benefit Plans

a) Expenses relating to all of the Company's defined contribution plans were $2.3 million and $2.2 million, respectively, for the three months ended March 31, 2005 and 2004.

b) The following table presents the components of net periodic benefit cost for the Terra Nova Pension Plan, the Company's defined benefit plan.

	Three Months Ended March 31,	
(dollars in thousands)	2005	2004
Service cost	$ 533	$ 536
Interest cost	1,005	903
Expected return on plan assets	(1,342)	(1,166)
Amortization of unrecognized loss	464	487
Net periodic benefit cost	$ 660	$ 760

The Company contributed $0.3 million to the Terra Nova Pension Plan during the first quarter of 2005. The Company expects plan contributions to total $1.3 million in 2005. If necessary, the Company will make any additional contributions to the plan to meet minimum funding requirements or to ensure that the fair value of plan assets at December 31, 2005 exceeds the accumulated benefit obligation.

11. Sale of Subsidiary

On January 11, 2005, the Company sold its wholly−owned reinsurance subsidiary, Corifrance, to a subsidiary of Fairfax Financial Holdings Limited (the buyer). Under the terms of the sales agreement, the Company has agreed to indemnify the buyer through December 31, 2007 for any adverse development of loss reserves up to the purchase price. Corifrance was considered by the Company to be a non−strategic subsidiary, and its results have been included in the Other segment since the acquisition of Markel International. Proceeds from the sale of approximately $57 million were received in April 2005. The gain on the sale of Corifrance was $5.5 million and was included in underwriting, acquisition and insurance expenses in the Other segment. Included in the gain was the realization of the cumulative foreign currency translation adjustment on Corifrance. The gain was partially offset by the establishment of a contingent obligation to indemnify the buyer if loss reserves prove to be deficient.

It em 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The accompanying consolidated financial statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and include the accounts of Markel Corporation and all subsidiaries.

Critical Accounting Estimates

Critical accounting estimates are defined as those estimates that are both important to the portrayal of our financial condition and results of operations and require us to exercise significant judgment. The preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of material contingent assets and liabilities, including litigation contingencies. These estimates, by necessity, are based on assumptions about numerous factors.

We review our critical accounting estimates and assumptions quarterly. These reviews include evaluating the adequacy of both reserves for unpaid losses and loss adjustment expenses and the reinsurance allowance for doubtful accounts, analyzing the recoverability of deferred tax assets, assessing goodwill for impairment and evaluating the investment portfolio for other−than−temporary declines in estimated fair value. Actual results may differ materially from the estimates and assumptions used in preparing the consolidated financial statements.

Readers are urged to review our 2004 annual report on Form 10−K for a more complete description of our critical accounting estimates.

Our Business

We market and underwrite specialty insurance products and programs to a variety of niche markets and believe that our specialty product focus and niche market strategy enable us to develop expertise and specialized market knowledge. We seek to differentiate ourselves from competitors by reason of our expertise, service, continuity and other value−based considerations. We compete in three segments of the specialty insurance marketplace: the Excess & Surplus Lines, the Specialty Admitted and the London markets. Our financial goals are to earn consistent underwriting profits and superior investment returns to build shareholder value.

Our Excess and Surplus Lines segment is comprised of five underwriting units, our Specialty Admitted segment consists of two underwriting units and our London Insurance Market segment is comprised of the ongoing operations of Markel International.

Our Excess and Surplus Lines segment writes property and casualty insurance outside of the standard market for hard−to−place risks including catastrophe−exposed property, professional liability, products liability, general liability, commercial umbrella and other coverages tailored for unique exposures.

Our Specialty Admitted segment writes risks that are unique and hard−to−place in the standard market but must remain with an admitted insurance company for marketing and regulatory reasons. Our underwriting units in this segment write specialty program insurance for well−defined niche markets and personal and commercial property and liability coverages.

We participate in the London Market through Markel International, which includes Markel Capital Limited and Markel International Insurance Company Limited, two of our wholly−owned subsidiaries. Markel Capital Limited is the corporate capital provider for Markel Syndicate 3000 at Lloyd's, which is managed by Markel Syndicate Management Limited, a wholly−owned subsidiary. Our London Insurance Market segment writes specialty property, casualty and marine insurance and reinsurance.

Our discontinued lines of business and non−strategic insurance subsidiaries are included in Other for segment reporting purposes. For the three months ended March 31, 2005, the Other segment consisted primarily of discontinued Markel International programs. In prior periods, the Other segment also included the results of Corifrance, our wholly−owned reinsurance subsidiary, which we sold on January 11, 2005. See note 11 of the notes to consolidated financial statements for a discussion of the sale of Corifrance.

Key Performance Indicators

We measure success by our ability to compound growth in book value per share over a five−year period. We recognize that it may be difficult to grow book value consistently each year, so we measure ourselves over a longer period of time. We believe that growth in book value per share is the most comprehensive measure of our success because it includes all underwriting and investing results. We measure underwriting results by our underwriting profit and combined ratio. These measures are discussed in greater detail under “Results of Operations.”

Results of Operations

The following table compares the components of net income.

	Three Months Ended March 31,	
(dollars in thousands)	2005	2004
Underwriting profit	$ 48,576	$ 18,995
Net investment income	58,792	48,663
Net realized investment gains	16,750	7,393
Interest expense	(15,950)	(12,881)
Income tax expense	(32,450)	(19,894)
Net Income	$ 75,718	$ 42,276

Net income for the three months ended March 31, 2005 increased 79% compared to the same period of 2004. The increase in net income is primarily due to improved underwriting results. Each of the components of net income are discussed in further detail under “Underwriting Results,” “Investment Results” and “Other Expenses.”

Underwriting Results

Underwriting profits are a key component of our strategy to grow book value per share. We believe that the ability to achieve consistent underwriting profits demonstrates knowledge and expertise, commitment to superior customer service and the ability to manage insurance risk. The property and casualty insurance industry commonly defines underwriting profit or loss as earned premiums net of losses and loss adjustment expenses and underwriting, acquisition and insurance expenses. We use underwriting profit or loss as a basis of evaluating our underwriting performance.

The following table compares selected data from our underwriting operations.

(dollars in thousands)	Three Months Ended March 31, 2005	2004
Gross premium volume	$585,485	$664,855
Net written premiums	$494,795	$538,581
Net retention	85%	81%
Earned premiums	$494,637	$505,392
Losses and loss adjustment expenses	$286,555	$326,334
Underwriting, acquisition and insurance expenses	$159,506	$160,063
Underwriting profit	$ 48,576	$ 18,995
U.S. GAAP Combined Ratios [1]		
Excess and Surplus Lines	84%	83%
Specialty Admitted	91%	92%
London Insurance Market	103%	119%
Other	NM [2]	NM [2]
Markel Corporation (Consolidated)	90%	96%

(1) The U.S. GAAP combined ratio is a measure of underwriting performance and represents the relationship of incurred losses, loss adjustment expenses and underwriting, acquisition and insurance expenses to earned premiums. A combined ratio of less than 100% indicates an underwriting profit, while a combined ratio greater than 100% reflects an underwriting loss.

(2) NM— Not meaningful. See further discussion of Other underwriting profit and loss below.

We reported a combined ratio of 90% for the first quarter of 2005 compared to 96% for the same period last year. The increase in underwriting profit for the quarter ended March 31, 2005 was primarily due to improved underwriting performance in the London Insurance Market segment.

The combined ratio for the Excess and Surplus Lines segment was 84% for the quarter ended March 31, 2005 compared to 83% for the same period of 2004. The increase in the combined ratio is primarily due to a higher expense ratio in 2005 as a result of lower reinsurance commissions as we continue to increase our retention of gross written premiums.

The Specialty Admitted segment produced improved underwriting results for the quarter ended March 31, 2005 compared to the same period of 2004. The combined ratio for the first quarter of 2005 benefited from lower current year losses compared to 2004.

The London Insurance Market segment's combined ratio for the quarter ended March 31, 2005 improved primarily due to less development on prior years' loss reserves, partially offset by a higher expense ratio in 2005 compared to 2004. In 2004, the London Insurance Market segment's underwriting results included a $30 million increase in prior years' loss reserves.

The Other segment produced an underwriting profit of $2.0 million for the quarter ended March 31, 2005 compared to an underwriting loss of $2.3 million for the same period in 2004. The Other underwriting profit for the first quarter of 2005 included a $5.5 million gain on the sale of Corifrance. Prior to the sale, the operating results of Corifrance were included in the Other segment.

Premiums and Net Retention

The following table compares gross premium volume and net written premiums by underwriting segment.

Gross Premium Volume — Three Months Ended March 31, 2005	2004	(dollars in thousands)	Net Written Premiums — Three Months Ended March 31, 2005	2004
$ 346,207	$ 362,269	Excess and Surplus Lines	$ 284,989	$ 278,001
66,407	61,738	Specialty Admitted	62,597	58,341
171,848	211,046	London Insurance Market	146,736	177,682
1,023	29,802	Other	473	24,557
$ 585,485	$ 664,855	Total	$ 494,795	$ 538,581

Gross premium volume for the first quarter of 2005 declined 12% compared to the same period of 2004. Approximately two−thirds of the decline was due to lower 2005 premium writings at Markel International and the Investors Brokered Excess and Surplus Lines unit and to the sale of Corifrance. During the first quarter of 2005, gross premium volume at Markel International declined primarily due to increased competition, which reduced new and renewal business opportunities compared to the same period of 2004, and due to our exit from the aviation insurance market in late 2004. The decline in gross premium volume at the Investors Brokered Excess and Surplus Lines unit was primarily due to the re−underwriting of the casualty and excess and umbrella books of business beginning in early 2004 and the withdrawal from the California residential contractors market in early 2005.

During the first quarter of 2005, we continued to receive rate increases compared to the same period of the prior year for many product lines. However, the rate of increase has slowed and, in certain lines, rates have declined. We continue to experience market pressure to reduce prices in select lines of business on both new and renewal accounts. When we believe the prevailing market rates will not support our underwriting profit targets, the business is not written. Our 2005 business plans continue to focus on new product development, producer relationships and achieving our ultimate goal of underwriting profitability.

As part of our underwriting philosophy, we seek to offer products with limits that do not require significant amounts of reinsurance. We purchase reinsurance in order to reduce our retention on individual risks and enable us to write policies with sufficient limits to meet policyholder needs. Net retention of gross premium volume has increased consistent with our strategy to retain more of our profitable business. Net retention of gross premium volume for the first quarter of 2005 was 85% compared to 81% for 2004. The increase was primarily due to changes in the mix of premium writings and purchasing less reinsurance in the Excess and Surplus Lines segment during 2005 compared to 2004.

The following table compares earned premiums by underwriting segment.

(dollars in thousands)	Three Months Ended March 31, 2005	2004
Excess and Surplus Lines	$285,492	$275,454
Specialty Admitted	68,517	62,745
London Insurance Market	140,155	160,007
Other	473	7,186
Total	$494,637	$505,392

Earned premium for the three months ended March 31, 2005 decreased 2% compared to the same period of 2004. This decrease was primarily due to lower gross premium volume at Markel International partially offset by higher retentions in the Excess and Surplus Lines segment compared to 2004.

Investment Results

First quarter 2005 net investment income was $58.8 million compared to $48.7 million in the first quarter of 2004. The increase in 2005 was primarily due to higher invested assets and higher investment yields compared to the same period of 2004.

For the three months ended March 31, 2005, net realized gains were $16.8 million compared to $7.4 million for the same period last year. Variability in the timing of realized and unrealized investment gains and losses is to be expected.

At March 31, 2005, we held securities with gross unrealized losses of approximately $44.8 million, or less than 1% of total invested assets. At March 31, 2005, all of these securities were reviewed and management believes there were no indications of other−than−temporary impairment.

Other Expenses

Interest expense for the three months ended March 31, 2005 increased 24% to $16.0 million from $12.9 million for the same period of 2004. The increase was primarily due to the August 2004 issuance of $200 million of 7.35% unsecured senior notes.

The estimated annual effective tax rate was 30% for the three months ended March 31, 2005 compared to 32% for the same period in 2004. For both periods, the estimated annual effective tax rate differs from the statutory tax rate of 35% primarily as a result of tax−exempt investment income.

Comprehensive Income (Loss)

For the three months ended March 31, 2005, comprehensive loss was $26.1 million compared to comprehensive income of $94.3 million for the same period in 2004. The comprehensive loss for the three months ended March 31, 2005 was primarily due to net unrealized losses, net of taxes, on the investment portfolio of $90.4 million. This unfavorable movement in the market value of the investment portfolio was partially offset by a $33.4 million increase in net income for the first quarter of 2005 compared to the same period of 2004. For the three months ended March 31, 2004, comprehensive income included net unrealized investment gains, net of taxes, of $53.0 million. Comprehensive income for the first quarter of 2005 included a loss of $11.4 million from currency translation adjustments, net of taxes, compared to a loss of $1.1 million for the same period of 2004. The loss from currency translation adjustments, net of taxes, in 2005 included $11.5 million from the sale of Corifrance. The majority of Corifrance’s net assets were denominated in euros, which have strengthened against the U.S. dollar since our acquisition of Markel International. We attempt to match assets and liabilities in original currencies to mitigate the impact of currency volatility.

Financial Condition

At March 31, 2005, total invested assets decreased 2% to $6.2 billion from $6.3 billion at December 31, 2004. Net unrealized gains, net of taxes, on fixed maturities and equity securities were $286.6 million at March 31, 2005 compared to $377.1 million at December 31, 2004. Equity securities were $1.3 billion, or 21% of total invested assets, at both March 31, 2005 and December 31, 2004.

Net cash provided by operating activities was $108.9 million for the three months ended March 31, 2005 compared to $55.2 million for the same period in 2004. The increase was primarily due to increased cash flows from our international operations for the three months ended March 31, 2005 compared to same period of 2004.

Net cash used by investing activities was $153.1 million for the three months ended March 31, 2005 compared to $159.9 million for the same period in 2004. Net cash used for investing activities for the three months ended March 31, 2005 included $14.0 million of cash balances transferred in the disposition of Corifrance. Cash proceeds of approximately $57 million from the sale were received in April 2005.

For the three months ended March 31, 2005, net cash used by financing activities was $2.4 million compared to $2.3 million for the same period of 2004. In both periods, cash was used to repurchase shares of our common stock. These repurchases were made in anticipation of the future issuance of common shares to satisfy grants of Restricted Stock Units made to directors and officers under the Markel Corporation Omnibus Incentive Plan.

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

Shareholders' equity at March 31, 2005 was $1.6 billion compared to $1.7 billion at December 31, 2004. Book value decreased 2% to $165.47 per share from $168.22 per share at December 31, 2004 primarily as a result of the decline in the market value of the investment portfolio partially offset by net income for the three months ended March 31, 2005.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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 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 are equity price risk associated with investments in equity securities, interest rate risk associated with investments in fixed maturities and foreign exchange risk for our international operations. We have no material commodity risk.

We manage foreign exchange risk primarily by matching assets and liabilities in each foreign currency as closely as possible. Significant estimations and assumptions are required when establishing insurance balances such as reinsurance recoverables and reserves for unpaid losses and loss adjustment expenses. As a result, matching of assets and liabilities by currency is subject to change as actual results may differ from these estimations and assumptions.

Our market risks at March 31, 2005 have not materially changed from those identified at December 31, 2004.

Item 4. Controls and Procedures

As of the end of the period covered by this quarterly report, 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 Chairman and Chief Executive Officer (CEO) and the Executive Vice President and 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 have concluded that our Disclosure Controls provide reasonable assurance that the information we are required to disclose in periodic reports is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding disclosure and is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms.

During the first quarter of 2005, we implemented a new general ledger accounting software package for the business written at Lloyd’s through Markel International. The software package is the same package implemented in the U.S. during the third quarter of 2003 but includes additional functionality to provide for foreign currency transactions. Also during the first quarter of 2005, we implemented a new payroll software package for our U.S. operations. This same software package was implemented in the U.K. in April 2005. While we do not believe that our previous general ledger or payroll systems had any significant deficiencies or material weaknesses, the new systems now provide a common platform for both our U.S. and U.K operations. There were no other changes in our internal control over financial reporting during the first quarter of 2005 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Safe Harbor and Cautionary Statement

This is a “Safe Harbor” statement under the Private Securities Litigation Reform Act of 1995. It also contains general cautionary statements regarding our business, estimates and assumptions. Future actual results may materially differ from those described in this report because of many factors. Among other things:

- 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;

- changing legal and social trends and inherent uncertainties (including but not limited to those uncertainties associated with our asbestos and environmental reserves) in the loss estimation process can adversely impact the adequacy of loss reserves and the allowance for reinsurance recoverables;
- industry and economic conditions can affect the ability and/or willingness of reinsurers to pay balances due;
- we continue to closely monitor our London Insurance Market operations, reinsurance programs and exposures and discontinued lines. Adverse experience in these areas could lead to additional charges;
- we continue to closely monitor claims processing and development patterns and loss reserve adequacy at our Investors Brokered Excess and Surplus Lines unit. Adverse experience could lead to additional charges;
- the impact of the events of September 11, 2001 will depend on the number of insureds and reinsureds affected by the events, the amount and timing of losses incurred and reported and questions of how coverage applies;
- the occurrence of additional terrorist activities could have a material impact on our business and the insurance industry;
- we are legally required to offer terrorism insurance and have attempted to manage our exposure, however, in the event of a covered terrorist attack, we could sustain material losses;
- regulatory actions can impede our ability to charge adequate rates and efficiently allocate capital; and
- economic conditions, interest rates and foreign exchange rate volatility and concentration of investments can have a significant impact on the market value of fixed maturity and equity investments as well as the carrying value of other assets and liabilities.

Our premium volume, underwriting and investment results have been and will continue to be potentially materially affected by these factors. Additional factors that could affect us are discussed in our reports on Forms 8−K, 10−Q and 10−K. By making these forward−looking statements, we are not intending to become obligated to publicly update or revise any forward−looking 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.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes the Company's common stock repurchases for the quarter ended March 31, 2005.

Issuer Purchases of Equity Securities[1]

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Units)	(c) Total Number of Shares (or Units) Purchased as Part Of Publicly Announced Plans Or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under The Plans or Programs
01/01/2005−01/31/2005	—	—	—	—
02/01/2005−02/28/2005	7,000	$ 345.78	—	—
03/01/2005−03/31/2005	—	—	—	—
Total	7,000	$ 345.78	—	—

[1] All purchases were made via open−market transactions. Such purchases were made in anticipation of the future issuance of common stock to satisfy grants of Restricted Stock Units made to directors and officers under the Markel Corporation Omnibus Incentive Plan. The Company does not have any publicly announced plans or programs to repurchase its common stock.

Item 6. Exhibits

See Exhibit Index for a list of exhibits filed as part of this report.

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, thereunto duly authorized, this 3rd day of May, 2005.

The Company

By /s/ Alan I. Kirshner
Alan I. Kirshner
Chairman and Chief Executive Officer
(Principal Executive Officer)

By /s/ Anthony F. Markel
Anthony F. Markel
President
(Principal Operating Officer)

By /s/ Steven A. Markel
Steven A. Markel
Vice Chairman

By /s/ Darrell D. Martin
Darrell D. Martin
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

By /s/ Paul W. Springman
Paul W. Springman
Executive Vice President

By /s/ Thomas S. Gayner
Thomas S. Gayner
Executive Vice President and
Chief Investment Officer

Exhibit Index

Number	Description
3(i)	Amended and Restated Articles of Incorporation, as amended (3(i))a
3(ii)	Bylaws, as amended (4.2)b
4	Credit Agreement dated September 30, 2003, among Markel Corporation, the lenders named therein and SunTrust Bank, as Administrative Agent (4)c
	The registrant hereby agrees to furnish to the Securities and Exchange Commission a copy of all instruments defining the rights of holders of convertible notes payable and long−term debt of the registrant and subsidiaries shown on the Consolidated Balance Sheet of the registrant at March 31, 2005 and the respective Notes thereto, included in the Quarterly Report on Form 10−Q.
10.1	Amended and Restated Employment Agreement between Markel Corporation and Alan I. Kirshner dated as of February 25, 2005*
10.2	Amended and Restated Employment Agreement between Markel Corporation and Anthony F. Markel dated as of February 25, 2005*
10.3	Amended and Restated Employment Agreement between Markel Corporation and Steven A. Markel dated as of February 25, 2005*
10.4	Amended and Restated Executive Employment Agreement between Markel Corporation and Paul W. Springman dated as of February 25, 2005*
10.5	Amended and Restated Executive Employment Agreement between Markel Corporation and Thomas S. Gayner dated as of February 25, 2005*
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a−14(a)/15d−14(a)*
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*

a. 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, 2000.

b. Incorporated by reference from Exhibit 4.2 to S−8 Registration Statement No. 333−107661, dated August 5, 2003.

c. 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, 2003.

* Filed with this report.

EXHIBIT 10.1

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement is made as of the 25th day of February 2005, between Markel Corporation (the “Company”), and Alan I. Kirshner (“Executive”).

The parties agree as follows:

1. Employment and Duties. The Company employs the Executive as Chairman and Chief Executive Officer and a member of the Board of Directors of the Company. The Executive agrees to devote full time and attention during normal business hours to the business of the Company and its subsidiaries and affiliates and to perform duties normally and properly incident to his position and such further duties as may be assigned to him by the Board of Directors of the Company. The duties to be performed by the Executive under this Agreement shall be primarily performed by him in the Richmond, Virginia metropolitan area, provided, however, that the Executive shall travel to the extent reasonably necessary to perform his duties hereunder. The Executive shall not be required to reside or maintain a residence outside of the Richmond metropolitan area.

2. Term. The Company employs the Executive and the Executive agrees to serve the Company for a term of one year from the date of this Agreement. The term of this Agreement shall automatically be extended for additional terms of 1 year, unless either party notifies the other in writing at least 60 days before the expiration of the term of this Agreement that it does not wish to extend the term. If the Company notifies the Executive that it does not wish to extend the term of this Agreement, the Company shall be deemed to have terminated Executive’s employment without cause and Executive shall be entitled to the benefits specified in Paragraph 7 of this Agreement. If the Executive notifies the Company

that Executive does not wish to extend the term of this Agreement, Executive shall be deemed to have voluntarily left the employ of the Company and the Company's obligations to the Executive under this Agreement shall terminate.

3. Salary. Effective as of January 1, 2005 and during the term of this Agreement, Executive's base salary shall be not less than $580,000 per year which sum shall be payable in bi−weekly installments. The executive shall be entitled to participate in the Company's bonus program and the Company agrees to review the Executive's salary no less frequently than annually. In the event of an increase in salary or the payment of a bonus, the other terms and conditions of this Agreement shall remain in full force and effect. The salary in effect at any given time is sometimes referred to in this Agreement as "Base Salary." There shall be withheld from all amounts due the Executive such federal and state income taxes, FICA and other amounts as may be required to be withheld under applicable law.

4. Other Benefits. During the term of this Agreement, the Executive shall be entitled to (i) participate in such employee benefit plans and programs as are generally available to other officers of the Company who hold positions of similar responsibility to those of Executive, (ii) reimbursement, in accordance with policies and procedures established by the Company from time to time, for all items of expense reasonably and necessarily incurred by Executive on behalf of the Company, (iii) such holidays as are generally available to employees of the Company, and (iv) five (5) weeks of annual vacation leave, which shall be non−cumulative and not subject to compensation if not taken.

5. Termination by Death or Disability.

(a) Should the Executive die during the term of employment, the Company shall be obligated to pay any salary and benefits to which the Executive may be entitled until the end

of the bi−weekly payroll period in which the death occurs, and the Company shall pay to the Executive’s personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of death.

(b) Should the executive be unable to perform substantially all duties of employment for 90 consecutive days because of a physical or mental disability, the Company shall then have the right to terminate the Executive’s employment by giving the Executive 30 days written notice. After the date of termination, the Company shall pay to the Executive or the Executive’s personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of termination.

The onset of a condition of disability under this Agreement shall be determined by the Board of Directors on the basis of (i) a written opinion of a licensed physician certified in his field of specialization and acceptable to the Board, or (ii) the receipt of, or entitlement by the Executive to disability benefits under any insurance policy or employee benefit plan provided or made available by the Company or under Federal Social Security laws.

6. Termination for Cause. The Company, by action of its Board of Directors, may at any time elect to terminate its obligations under this Agreement for “cause” and remove the Executive from employment. Termination for cause shall be made upon 30 days written notice, and upon expiration of the 30−day notice period, all obligations of the Company to the Executive under this Agreement shall cease.

For purposes of this Agreement “cause” shall be only the following:

(a) continued and deliberate neglect by the Executive, after receipt of notice thereof, of employment duties other than as a result of Executive’s physical or mental disability;

(b) willful misconduct of the Executive in connection with the performance of his duties, including by way of example but not limitation, misappropriation of funds or property of the Company; securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of the Company or violation of any code of conduct or standards of ethics applicable to employees of the Company;

(c) conduct by the Executive which may result in material injury to the reputation of the Company if the Executive were retained in his position with the Company, including by way of example but not limitation, commission of a felony, bankruptcy, insolvency or general assignment for the benefit of creditors;

(d) active disloyalty such as aiding a competitor; or

(e) a breach by the Executive of paragraph 8 or 9 of this Agreement.

7. Other Termination.

(a) If the Executive resigns or voluntarily leaves the employ of the Company, the Company’s obligations to the Executive under this Agreement shall terminate and the Company shall have no further liability to the Executive under this Agreement; provided, however, if Executive voluntarily leaves the employ of the Company by virtue of the Company’s failure to comply with any terms of this Agreement, then the Executive shall be entitled to the identical compensation and benefits set forth in Section 7 (b) hereof.

(b) The Company, by action of its Board of Directors, may at any time elect to terminate its obligations under this Agreement without cause and remove the Executive from employment on 30 days' written notice. If the Company elects to terminate Executive's employment without cause, then the Executive shall be entitled to receive, subject to compliance by the Executive with the provisions of Sections 8 and 9 of this Agreement, the compensation and benefits due under this Agreement for a period of twenty−four (24) months from the date of termination.

8. Confidential Information and Trade Secrets. As consideration for and to induce the employment of the Executive by the Company, the Executive agrees that:

(a) Except to the extent such information is generally known to the public or in the industry in which the Company and its subsidiaries and corporate affiliates are engaged all information relating to or used in the business and operations of the Company and its subsidiaries and corporate affiliates (including, without limitation, marketing methods and procedures, customer lists, lists of professionals referring customers to the Company and its subsidiaries and corporate affiliates, sources of supplies and materials and business systems and procedures), whether prepared, compiled, developed or obtained by the Executive or by the Company or any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be confidential information and trade secrets ("Confidential Information") and the exclusive property of the Company, its subsidiaries and corporate affiliates.

(b) All records of and materials relating to Confidential Information, whether in written form or in a form produced or stored by any electrical or mechanical means or process and whether prepared, compiled or obtained by the Executive or by the Company or

any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be the exclusive property of the Company or its subsidiaries or corporate affiliates, as the case may be.

(c) Except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during or after the term of this Agreement and his employment by the Company, copy, reproduce, disclose or divulge to others, use or permit others to see any Confidential Information or any records of or materials relating to any such Confidential Information. The Executive further agrees that during the term of this Agreement and his employment by the Company he shall not remove from the custody or control of the Company or its subsidiaries or corporate affiliates any records of or any materials relating to such Confidential Information and that upon the termination of this Agreement he shall deliver the same to the Company and its subsidiaries and corporate affiliates.

9. Covenants.

As consideration for and to induce the employment of the Executive by the Company, the Executive agrees that, except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during the term of this Agreement and for a period of two (2) years immediately following the termination of this Agreement, directly or indirectly, either as an individual for his own account, as a partner or joint venturer with any other person or entity, as an employee, consultant, advisor, agent or representative of any other person or entity or as an officer, director or shareholder of any corporation, (i) own, manage, operate, join, control or participate in the ownership, management, operation or control of, or serve as an employee,

consultant, advisor, agent or representative of any corporation, association, partnership, proprietorship or other business entity that is engaged in any business activity, directly or indirectly, in competition with any of the business operations or activities of the Company or any of its subsidiaries or corporate affiliates, or (ii) employ or offer to employ or retain the services of any officer, employee or agent then employed or retained by the Company or any of its subsidiaries or corporate affiliates or induce, encourage or solicit any such officer, employee or agent to leave the employment or service of the Company or any of its subsidiaries or corporate affiliates. This provision shall not, however, restrict the Executive from making any investments in any company whose stock is listed on a national securities exchange or actively traded in the over−the−counter market, so long as such investment does not give Executive the right to control or influence the policy decisions of any such business or enterprise which is or might be directly or indirectly in competition with any of the business operations or activities of the Company or any of its subsidiaries or corporate affiliates.

10. Survival of Covenants and Remedies. The agreements made by the Executive in paragraphs 8 and 9 shall survive the termination of this Agreement and the Executive’s employment. Each such agreement by the Executive shall be construed as an agreement independent of any other provision of this Agreement, and the existence of any claim or cause of action by the Executive against the Company shall not constitute a defense to the enforcement of the provisions of paragraphs 8 or 9. The Executive acknowledges and agrees that the Company will sustain irreparable injury in the event of a breach or threatened breach by the Executive of the provisions of paragraphs 8 or 9 and that the Company does not and will not have any adequate remedy at law for such breach or threatened breach. Accordingly,

the Executive agrees that if he breaches or threatens to breach any such covenant or agreement, the Company shall be entitled to immediate injunctive relief. The foregoing shall not, however, be deemed to limit the Company's remedies at law or inequity for any such breach or threatened breach.

11. Deferred Compensation Benefits

In response to the American Jobs Creation Act of 2004 ("AJCA"), paragraph 11 of the Agreement is amended to read as follows. All amounts deferred under paragraph 11 on or before December 31, 2004 and earnings thereon shall continue to remain deferred, and shall continue to accrue interest, on the same terms and at the same rate, as existed on December 31, 2004, except as specifically provided below.

(a) To induce the Executive to remain in the employ of the Company and in consideration and recognition of the services heretofore and hereafter to be rendered by the Executive and Executive's covenants contained herein, the Company hereby agrees to provide the Executive with a deferred compensation benefit ("Deferred Compensation Benefit"). For so long as Executive was a full time employee of the Company, on each anniversary of the date of this Agreement prior to December 31, 2004, the Company credited to the Deferred Compensation Benefit for the period an amount equal to sixteen percent (16%) of the Executive's Base Salary during the year or other period ending on such date. The Company shall credit interest at the rate of eight percent (8%) per annum from the date on which each amount is credited to the Deferred Compensation Benefit. The Executive's initial Deferred Compensation Benefit shall also include the total Supplemental Retirement Benefit previously accrued by the Executive under a prior version of this Agreement with the Company's subsidiary, Markel North America, Inc.

(b) The aggregate amount of the Deferred Compensation Benefit shall be payable at the time or time elected by the Executive. If the Executive fails to elect a time for payment, the Deferred Compensation Benefit shall be paid at the earlier of the Executive's death or the termination of the Executive's employment with the Company. The Executive may change the time for payment of the Deferred Compensation Benefit by filing a new election with the Company, provided that any election shall not be effective until six months after it is filed with the Company.

(c) The Executive shall determine the form of payment of the Deferred Compensation Benefit from one of the following forms, except as provided in (d) below:

(1) A single lump−sum payment in cash to the Executive or his designated beneficiary.

(2) Payments made to the Executive or his designated beneficiary in equal monthly installments for a period of years.

(d) The Company shall make all payments pursuant to the election of the Executive under Section 11(c), unless any such payments would be non−deductible to the Company under the provisions of Section 162(m) of the Internal Revenue Code. If the payment would be non−deductible, the Company shall make the payment as soon as the payment is deductible by the Company, but no later than thirty (30) days after the end of the Company's taxable year during which the Executive last was a "covered employee" as defined in Treas. Reg. Section 1.162−27(c)(2).

(e) At the request of the Executive or his beneficiary, the Company shall accelerate and pay all or part of the Deferred Compensation Benefit in the event of Hardship in the minimum amount sufficient to relieve the Hardship. Hardship is a severe financial hardship to the Executive (or beneficiary) resulting from a sudden and unexpected illness or accident of the Executive or of a dependent of the Executive, loss of the Executive's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Executive. Section 11(e) shall be operative only if the Executive and Company determine that its operation will not result in the Executive incurring the 20% tax imposed under Section 409A of the Code.

(f) The Deferred Compensation Benefit shall be unfunded. The Company shall not segregate any assets that at any time may represent the Deferred Compensation Benefit.

12. Notices. All notices, consents and other communications under this Agreement shall be in writing and shall be deemed to have been given, delivered or made when delivered personally or when mailed by registered or certified mail, postage prepaid and return receipt requested, addressed to the Company at its principal office in Richmond, Virginia, and to the Executive at his residence as shown upon the employment records of the Company, or to such other address as either party may by notice specify to the other.

13. Modification. No provision of this Agreement, including any provision of this paragraph, may be modified, deleted or amended in any manner except by an agreement in writing executed by Executive and the Company.

14. Benefit. All of the terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Company and its successors and assigns and by the Executive and his heirs and personal representatives.

15. Construction. This Agreement is executed and delivered in the Commonwealth of Virginia and shall be construed and enforced in accordance with the laws of such state.

16. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

In addition, if, at the time of enforcement of this Agreement, a court holds that any restriction stated in this Agreement is unreasonable under the circumstances then existing, the parties agree that the maximum restriction reasonable under such circumstances shall be substituted for the stated restriction.

17. Headings. The underlined headings provided in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

19. Delay in Payments. In response to the AJCA, any payments under this agreement that are treated as made under a deferred compensation plan for purposes of Internal Revenue Code ("Code") Section 409A are intended to meet the requirements of Code Section 409A(a)(2)(B) and any regulations and other guidance under that section. Therefore, if the Executive is a "specified employee" for purposes of Code Section 409A, no payment shall be made before the date provided in Code Section 409A(a)(2)(B) and all payments otherwise payable during that period shall be made to Executive as soon as possible after the date provided in Code Section 409A(a)(2)(B).

/s/ Alan I. Kirshner

Executive

MARKEL CORPORATION

By: /s/ Anthony F. Markel

Title: President

EXHIBIT 10.2

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement is made as of the 25th day of February 2005, between Markel Corporation (the “Company”), and Anthony F. Markel (“Executive”).

The parties agree as follows:

1. Employment and Duties. The Company employs the Executive as President and Chief Operating Officer and a member of the Board of Directors of the Company. The Executive agrees to devote full time and attention during normal business hours to the business of the Company and its subsidiaries and affiliates and to perform duties normally and properly incident to his position and such further duties as may be assigned to him by the Board of Directors of the Company. The duties to be performed by the Executive under this Agreement shall be primarily performed by him in the Richmond, Virginia metropolitan area, provided, however, that the Executive shall travel to the extent reasonably necessary to perform his duties hereunder. The Executive shall not be required to reside or maintain a residence outside of the Richmond metropolitan area.

2. Term. The Company employs the Executive and the Executive agrees to serve the Company for a term of one year from the date of this Agreement. The term of this Agreement shall automatically be extended for additional terms of 1 year, unless either party notifies the other in writing at least 60 days before the expiration of the term of this Agreement that it does not wish to extend the term. If the Company notifies the Executive that it does not wish to extend the term of this Agreement, the Company shall be deemed to have terminated Executive’s employment without cause and Executive shall be entitled to the benefits specified in Paragraph 7 of this Agreement. If the Executive notifies the Company

that Executive does not wish to extend the term of this Agreement, Executive shall be deemed to have voluntarily left the employ of the Company and the Company's obligations to the Executive under this Agreement shall terminate.

3. Salary. Effective as of January 1, 2005 and during the term of this Agreement, Executive's base salary shall be not less than $554,000 per year which sum shall be payable in bi−weekly installments. The executive shall be entitled to participate in the Company's bonus program and the Company agrees to review the Executive's salary no less frequently than annually. In the event of an increase in salary or the payment of a bonus, the other terms and conditions of this Agreement shall remain in full force and effect. The salary in effect at any given time is sometimes referred to in this Agreement as "Base Salary." There shall be withheld from all amounts due the Executive such federal and state income taxes, FICA and other amounts as may be required to be withheld under applicable law.

4. Other Benefits. During the term of this Agreement, the Executive shall be entitled to (i) participate in such employee benefit plans and programs as are generally available to other officers of the Company who hold positions of similar responsibility to those of Executive, (ii) reimbursement, in accordance with policies and procedures established by the Company from time to time, for all items of expense reasonably and necessarily incurred by Executive on behalf of the Company, (iii) such holidays as are generally available to employees of the Company, and (iv) five (5) weeks of annual vacation leave, which shall be non−cumulative and not subject to compensation if not taken.

5. Termination by Death or Disability.

(a) Should the Executive die during the term of employment, the Company shall be obligated to pay any salary and benefits to which the Executive may be entitled until the end

of the bi−weekly payroll period in which the death occurs, and the Company shall pay to the Executive's personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of death.

(b) Should the executive be unable to perform substantially all duties of employment for 90 consecutive days because of a physical or mental disability, the Company shall then have the right to terminate the Executive's employment by giving the Executive 30 days written notice. After the date of termination, the Company shall pay to the Executive or the Executive's personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of termination.

The onset of a condition of disability under this Agreement shall be determined by the Board of Directors on the basis of (i) a written opinion of a licensed physician certified in his field of specialization and acceptable to the Board, or (ii) the receipt of, or entitlement by the Executive to disability benefits under any insurance policy or employee benefit plan provided or made available by the Company or under Federal Social Security laws.

6. Termination for Cause. The Company, by action of its Board of Directors, may at any time elect to terminate its obligations under this Agreement for "cause" and remove the Executive from employment. Termination for cause shall be made upon 30 days written notice, and upon expiration of the 30−day notice period, all obligations of the Company to the Executive under this Agreement shall cease.

For purposes of this Agreement “cause” shall be only the following:

(a) continued and deliberate neglect by the Executive, after receipt of notice thereof, of employment duties other than as a result of Executive’s physical or mental disability;

(b) willful misconduct of the Executive in connection with the performance of his duties, including by way of example but not limitation, misappropriation of funds or property of the Company; securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of the Company or violation of any code of conduct or standards of ethics applicable to employees of the Company;

(c) conduct by the Executive which may result in material injury to the reputation of the Company if the Executive were retained in his position with the Company, including by way of example but not limitation, commission of a felony, bankruptcy, insolvency or general assignment for the benefit of creditors;

(d) active disloyalty such as aiding a competitor; or

(e) a breach by the Executive of paragraph 8 or 9 of this Agreement.

7. <u>Other Termination</u>.

(a) If the Executive resigns or voluntarily leaves the employ of the Company, the Company’s obligations to the Executive under this Agreement shall terminate and the Company shall have no further liability to the Executive under this Agreement; provided, however, if Executive voluntarily leaves the employ of the Company by virtue of the Company’s failure to comply with any terms of this Agreement, then the Executive shall be entitled to the identical compensation and benefits set forth in Section 7 (b) hereof.

(b) The Company, by action of its Board of Directors, may at any time elect to terminate its obligations under this Agreement without cause and remove the Executive from employment on 30 days' written notice. If the Company elects to terminate Executive's employment without cause, then the Executive shall be entitled to receive, subject to compliance by the Executive with the provisions of Sections 8 and 9 of this Agreement, the compensation and benefits due under this Agreement for a period of twenty−four (24) months from the date of termination.

8. Confidential Information and Trade Secrets. As consideration for and to induce the employment of the Executive by the Company, the Executive agrees that:

(a) Except to the extent such information is generally known to the public or in the industry in which the Company and its subsidiaries and corporate affiliates are engaged all information relating to or used in the business and operations of the Company and its subsidiaries and corporate affiliates (including, without limitation, marketing methods and procedures, customer lists, lists of professionals referring customers to the Company and its subsidiaries and corporate affiliates, sources of supplies and materials and business systems and procedures), whether prepared, compiled, developed or obtained by the Executive or by the Company or any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be confidential information and trade secrets ("Confidential Information") and the exclusive property of the Company, its subsidiaries and corporate affiliates.

(b) All records of and materials relating to Confidential Information, whether in written form or in a form produced or stored by any electrical or mechanical means or process and whether prepared, compiled or obtained by the Executive or by the Company or

any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be the exclusive property of the Company or its subsidiaries or corporate affiliates, as the case may be.

(c) Except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during or after the term of this Agreement and his employment by the Company, copy, reproduce, disclose or divulge to others, use or permit others to see any Confidential Information or any records of or materials relating to any such Confidential Information. The Executive further agrees that during the term of this Agreement and his employment by the Company he shall not remove from the custody or control of the Company or its subsidiaries or corporate affiliates any records of or any materials relating to such Confidential Information and that upon the termination of this Agreement he shall deliver the same to the Company and its subsidiaries and corporate affiliates.

9. Covenants.

A. As consideration for and to induce the employment of the Executive by the Company, the Executive agrees that, except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during the term of this Agreement and for a period of two (2) years immediately following the termination of this Agreement, directly or indirectly, either as an individual for his own account, as a partner or joint venturer with any other person or entity, as an employee, consultant, advisor, agent or representative of any other person or entity or as an officer, director or shareholder of any corporation, (i) own, manage, operate, join, control or participate in the ownership, management, operation or control of, or serve as an employee,

consultant, advisor, agent or representative of any corporation, association, partnership, proprietorship or other business entity that is engaged in any business activity, directly or indirectly, in competition with any of the business operations or activities of the Company or any of its subsidiaries or corporate affiliates, or (ii) employ or offer to employ or retain the services of any officer, employee or agent then employed or retained by the Company or any of its subsidiaries or corporate affiliates or induce, encourage or solicit any such officer, employee or agent to leave the employment or service of the Company or any of its subsidiaries or corporate affiliates. This provision shall not, however, restrict the Executive from making any investments in any company whose stock is listed on a national securities exchange or actively traded in the over−the−counter market, so long as such investment does not give Executive the right to control or influence the policy decisions of any such business or enterprise which is or might be directly or indirectly in competition with any of the business operations or activities of the Company or any of its subsidiaries or corporate affiliates.

B. The Executive acknowledges that he has granted to the Company the exclusive right in perpetuity to use his surname as part of its corporate name for and in connection with all business of whatever kind and character conducted previously or in the future by the company or any of its subsidiaries or corporate affiliates. The Executive hereby covenants and agrees that he shall not hereafter grant to any other person, firm or corporation the right to use and he shall not himself use (except in the regular course of his employment by the Company hereunder or as the Company may expressly authorize or direct in writing) his name as part of the corporate, firm or trade name or trademark of any firm, entity, corporation or business that engages in any business activity directly or indirectly in competition with any of the business operations or activities of the Company or any of its subsidiaries or corporate affiliates.

10. Survival of Covenants and Remedies. The agreements made by the Executive in paragraphs 8 and 9 shall survive the termination of this Agreement and the Executive's employment. Each such agreement by the Executive shall be construed as an agreement independent of any other provision of this Agreement, and the existence of any claim or cause of action by the Executive against the Company shall not constitute a defense to the enforcement of the provisions of paragraphs 8 or 9. The Executive acknowledges and agrees that the Company will sustain irreparable injury in the event of a breach or threatened breach by the Executive of the provisions of paragraphs 8 or 9 and that the Company does not and will not have any adequate remedy at law for such breach or threatened breach. Accordingly, the Executive agrees that if he breaches or threatens to breach any such covenant or agreement, the Company shall be entitled to immediate injunctive relief. The foregoing shall not, however, be deemed to limit the Company's remedies at law or inequity for any such breach or threatened breach.

11. Deferred Compensation Benefits

In response to the American Jobs Creation Act of 2004 ("AJCA"), paragraph 11 of the Agreement is amended to read as follows. All amounts deferred under paragraph 11 on or before December 31, 2004 and earnings thereon shall continue to remain deferred, and shall continue to accrue interest, on the same terms and at the same rate, as existed on December 31, 2004, except as specifically provided below.

(a) To induce the Executive to remain in the employ of the Company and in consideration and recognition of the services heretofore and hereafter to be rendered by the Executive and Executive's covenants contained herein, the Company hereby agrees to provide the Executive with a deferred compensation benefit ("Deferred Compensation Benefit"). For so long as Executive was a full time employee of the Company, on each anniversary of the date of this Agreement prior to December 31, 2004, the Company credited to the Deferred Compensation Benefit for the period an amount equal to ten point eight percent (10.8%) of the Executive's Base Salary during the year or other period ending on such date. The Company shall credit interest at the rate of eight percent (8%) per annum from the date on which each amount is credited to the Deferred Compensation Benefit. The Executive's initial Deferred Compensation Benefit shall also include the total Supplemental Retirement Benefit previously accrued by the Executive under a prior version of this Agreement with the Company's subsidiary, Markel North America, Inc.

(b) The aggregate amount of the Deferred Compensation Benefit shall be payable at the time or time elected by the Executive. If the Executive fails to elect a time for payment, the Deferred Compensation Benefit shall be paid at the earlier of the Executive's death or the termination of the Executive's employment with the Company. The Executive may change the time for payment of the Deferred Compensation Benefit by filing a new election with the Company, provided that any election shall not be effective until six months after it is filed with the Company.

(c) The Executive shall determine the form of payment of the Deferred Compensation Benefit from one of the following forms, except as provided in (d) below:

(1) A single lump−sum payment in cash to the Executive or his designated beneficiary.

(2) Payments made to the Executive or his designated beneficiary in equal monthly installments for a period of years.

(d) The Company shall make all payments pursuant to the election of the Executive under Section 11(c), unless any such payments would be non−deductible to the Company under the provisions of Section 162(m) of the Internal Revenue Code. If the payment would be non−deductible, the Company shall make the payment as soon as the payment is deductible by the Company, but no later than thirty (30) days after the end of the Company's taxable year during which the Executive last was a "covered employee" as defined in Treas. Reg. Section 1.162−27(c)(2).

(e) At the request of the Executive or his beneficiary, the Company shall accelerate and pay all or part of the Deferred Compensation Benefit in the event of Hardship in the minimum amount sufficient to relieve the Hardship. Hardship is a severe financial hardship to the Executive (or beneficiary) resulting from a sudden and unexpected illness or accident of the Executive or of a dependent of the Executive, loss of the Executive's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Executive. Section 11(e) shall be operative only if the Executive and Company determine that its operation will not result in the Executive incurring the 20% tax imposed under Section 409A of the Code.

(f) The Deferred Compensation Benefit shall be unfunded. The Company shall not segregate any assets that at any time may represent the Deferred Compensation Benefit.

12. Notices. All notices, consents and other communications under this Agreement shall be in writing and shall be deemed to have been given, delivered or made when delivered personally or when mailed by registered or certified mail, postage prepaid and return receipt requested, addressed to the Company at its principal office in Richmond, Virginia, and to the Executive at his residence as shown upon the employment records of the Company, or to such other address as either party may by notice specify to the other.

13. Modification. No provision of this Agreement, including any provision of this paragraph, may be modified, deleted or amended in any manner except by an agreement in writing executed by Executive and the Company.

14. Benefit. All of the terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Company and its successors and assigns and by the Executive and his heirs and personal representatives.

15. Construction. This Agreement is executed and delivered in the Commonwealth of Virginia and shall be construed and enforced in accordance with the laws of such state.

16. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

In addition, if, at the time of enforcement of this Agreement, a court holds that any restriction stated in this Agreement is unreasonable under the circumstances then existing, the parties agree that the maximum restriction reasonable under such circumstances shall be substituted for the stated restriction.

17. Headings. The underlined headings provided in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

19. Delay in Payments. In response to the AJCA, any payments under this agreement that are treated as made under a deferred compensation plan for purposes of Internal Revenue Code ("Code") Section 409A are intended to meet the requirements of Code Section 409A(a)(2)(B) and any regulations and other guidance under that section. Therefore, if the Executive is a "specified employee" for purposes of Code Section 409A, no payment shall be made before the date provided in Code Section 409A(a)(2)(B) and all payments otherwise payable during that period shall be made to Executive as soon as possible after the date provided in Code Section 409A(a)(2)(B).

/s/ Anthony F. Markel

Executive

MARKEL CORPORATION

By: /s/ Alan I. Kirshner

Title: Chairman

EXHIBIT 10.3

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement is made as of the 25th day of February 2005, between Markel Corporation (the “Company”), and Steven A. Markel (“Executive”).

The parties agree as follows:

1. Employment and Duties. The Company employs the Executive as Vice Chairman and a member of the Board of Directors of the Company. The Executive agrees to devote full time and attention during normal business hours to the business of the Company and its subsidiaries and affiliates and to perform duties normally and properly incident to his position and such further duties as may be assigned to him by the Board of Directors of the Company. The duties to be performed by the Executive under this Agreement shall be primarily performed by him in the Richmond, Virginia metropolitan area, provided, however, that the Executive shall travel to the extent reasonably necessary to perform his duties hereunder. The Executive shall not be required to reside or maintain a residence outside of the Richmond metropolitan area.

2. Term. The Company employs the Executive and the Executive agrees to serve the Company for a term of one year from the date of this Agreement. The term of this Agreement shall automatically be extended for additional terms of 1 year, unless either party notifies the other in writing at least 60 days before the expiration of the term of this Agreement that it does not wish to extend the term. If the Company notifies the Executive that it does not wish to extend the term of this Agreement, the Company shall be deemed to have terminated Executive’s employment without cause and Executive shall be entitled to the benefits specified in Paragraph 7 of this Agreement. If the Executive notifies the Company

that Executive does not wish to extend the term of this Agreement, Executive shall be deemed to have voluntarily left the employ of the Company and the Company's obligations to the Executive under this Agreement shall terminate.

3. Salary. Effective as of January 1, 2005 and during the term of this Agreement, Executive's base salary shall be not less than $540,000 per year which sum shall be payable in bi−weekly installments. The executive shall be entitled to participate in the Company's bonus program and the Company agrees to review the Executive's salary no less frequently than annually. In the event of an increase in salary or the payment of a bonus, the other terms and conditions of this Agreement shall remain in full force and effect. The salary in effect at any given time is sometimes referred to in this Agreement as "Base Salary." There shall be withheld from all amounts due the Executive such federal and state income taxes, FICA and other amounts as may be required to be withheld under applicable law.

4. Other Benefits. During the term of this Agreement, the Executive shall be entitled to (i) participate in such employee benefit plans and programs as are generally available to other officers of the Company who hold positions of similar responsibility to those of Executive, (ii) reimbursement, in accordance with policies and procedures established by the Company from time to time, for all items of expense reasonably and necessarily incurred by Executive on behalf of the Company, (iii) such holidays as are generally available to employees of the Company, and (iv) five (5) weeks of annual vacation leave, which shall be non−cumulative and not subject to compensation if not taken.

5. Termination by Death or Disability.

(a) Should the Executive die during the term of employment, the Company shall be obligated to pay any salary and benefits to which the Executive may be entitled until the end

of the bi−weekly payroll period in which the death occurs, and the Company shall pay to the Executive’s personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of death.

(b) Should the executive be unable to perform substantially all duties of employment for 90 consecutive days because of a physical or mental disability, the Company shall then have the right to terminate the Executive’s employment by giving the Executive 30 days written notice. After the date of termination, the Company shall pay to the Executive or the Executive’s personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of termination.

The onset of a condition of disability under this Agreement shall be determined by the Board of Directors on the basis of (i) a written opinion of a licensed physician certified in his field of specialization and acceptable to the Board, or (ii) the receipt of, or entitlement by the Executive to disability benefits under any insurance policy or employee benefit plan provided or made available by the Company or under Federal Social Security laws.

6. Termination for Cause. The Company, by action of its Board of Directors, may at any time elect to terminate its obligations under this Agreement for “cause” and remove the Executive from employment. Termination for cause shall be made upon 30 days written notice, and upon expiration of the 30−day notice period, all obligations of the Company to the Executive under this Agreement shall cease.

For purposes of this Agreement “cause” shall be only the following:

(a) continued and deliberate neglect by the Executive, after receipt of notice thereof, of employment duties other than as a result of Executive’s physical or mental disability;

(b) willful misconduct of the Executive in connection with the performance of his duties, including by way of example but not limitation, misappropriation of funds or property of the Company; securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of the Company or violation of any code of conduct or standards of ethics applicable to employees of the Company;

(c) conduct by the Executive which may result in material injury to the reputation of the Company if the Executive were retained in his position with the Company, including by way of example but not limitation, commission of a felony, bankruptcy, insolvency or general assignment for the benefit of creditors;

(d) active disloyalty such as aiding a competitor; or

(e) a breach by the Executive of paragraph 8 or 9 of this Agreement.

7. Other Termination.

(a) If the Executive resigns or voluntarily leaves the employ of the Company, the Company’s obligations to the Executive under this Agreement shall terminate and the Company shall have no further liability to the Executive under this Agreement; provided, however, if Executive voluntarily leaves the employ of the Company by virtue of the Company’s failure to comply with any terms of this Agreement, then the Executive shall be entitled to the identical compensation and benefits set forth in Section 7 (b) hereof.

(b) The Company, by action of its Board of Directors, may at any time elect to terminate its obligations under this Agreement without cause and remove the Executive from employment on 30 days' written notice. If the Company elects to terminate Executive's employment without cause, then the Executive shall be entitled to receive, subject to compliance by the Executive with the provisions of Sections 8 and 9 of this Agreement, the compensation and benefits due under this Agreement for a period of twenty−four (24) months from the date of termination.

8. Confidential Information and Trade Secrets. As consideration for and to induce the employment of the Executive by the Company, the Executive agrees that:

(a) Except to the extent such information is generally known to the public or in the industry in which the Company and its subsidiaries and corporate affiliates are engaged all information relating to or used in the business and operations of the Company and its subsidiaries and corporate affiliates (including, without limitation, marketing methods and procedures, customer lists, lists of professionals referring customers to the Company and its subsidiaries and corporate affiliates, sources of supplies and materials and business systems and procedures), whether prepared, compiled, developed or obtained by the Executive or by the Company or any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be confidential information and trade secrets ("Confidential Information") and the exclusive property of the Company, its subsidiaries and corporate affiliates.

(b) All records of and materials relating to Confidential Information, whether in written form or in a form produced or stored by any electrical or mechanical means or process and whether prepared, compiled or obtained by the Executive or by the Company or

any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be the exclusive property of the Company or its subsidiaries or corporate affiliates, as the case may be.

(c) Except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during or after the term of this Agreement and his employment by the Company, copy, reproduce, disclose or divulge to others, use or permit others to see any Confidential Information or any records of or materials relating to any such Confidential Information. The Executive further agrees that during the term of this Agreement and his employment by the Company he shall not remove from the custody or control of the Company or its subsidiaries or corporate affiliates any records of or any materials relating to such Confidential Information and that upon the termination of this Agreement he shall deliver the same to the Company and its subsidiaries and corporate affiliates.

9. Covenants.

A. As consideration for and to induce the employment of the Executive by the Company, the Executive agrees that, except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during the term of this Agreement and for a period of two (2) years immediately following the termination of this Agreement, directly or indirectly, either as an individual for his own account, as a partner or joint venturer with any other person or entity, as an employee, consultant, advisor, agent or representative of any other person or entity or as an officer, director or shareholder of any corporation, (i) own, manage, operate, join, control or participate in the ownership, management, operation or control of, or serve as an employee,

consultant, advisor, agent or representative of any corporation, association, partnership, proprietorship or other business entity that is engaged in any business activity, directly or indirectly, in competition with any of the business operations or activities of the Company or any of its subsidiaries or corporate affiliates, or (ii) employ or offer to employ or retain the services of any officer, employee or agent then employed or retained by the Company or any of its subsidiaries or corporate affiliates or induce, encourage or solicit any such officer, employee or agent to leave the employment or service of the Company or any of its subsidiaries or corporate affiliates. This provision shall not, however, restrict the Executive from making any investments in any company whose stock is listed on a national securities exchange or actively traded in the over−the−counter market, so long as such investment does not give Executive the right to control or influence the policy decisions of any such business or enterprise which is or might be directly or indirectly in competition with any of the business operations or activities of the Company or any of its subsidiaries or corporate affiliates.

B. The Executive acknowledges that he has granted to the Company the exclusive right in perpetuity to use his surname as part of its corporate name for and in connection with all business of whatever kind and character conducted previously or in the future by the company or any of its subsidiaries or corporate affiliates. The Executive hereby covenants and agrees that he shall not hereafter grant to any other person, firm or corporation the right to use and he shall not himself use (except in the regular course of his employment by the Company hereunder or as the Company may expressly authorize or direct in writing) his name as part of the corporate, firm or trade name or trademark of any firm, entity, corporation or business that engages in any business activity directly or indirectly in competition with any of the business operations or activities of the Company or any of its subsidiaries or corporate affiliates.

10. Survival of Covenants and Remedies. The agreements made by the Executive in paragraphs 8 and 9 shall survive the termination of this Agreement and the Executive's employment. Each such agreement by the Executive shall be construed as an agreement independent of any other provision of this Agreement, and the existence of any claim or cause of action by the Executive against the Company shall not constitute a defense to the enforcement of the provisions of paragraphs 8 or 9. The Executive acknowledges and agrees that the Company will sustain irreparable injury in the event of a breach or threatened breach by the Executive of the provisions of paragraphs 8 or 9 and that the Company does not and will not have any adequate remedy at law for such breach or threatened breach. Accordingly, the Executive agrees that if he breaches or threatens to breach any such covenant or agreement, the Company shall be entitled to immediate injunctive relief. The foregoing shall not, however, be deemed to limit the Company's remedies at law or inequity for any such breach or threatened breach.

11. Deferred Compensation Benefits

In response to the American Jobs Creation Act of 2004 ("AJCA"), paragraph 11 of the Agreement is amended to read as follows. All amounts deferred under paragraph 11 on or before December 31, 2004 and earnings thereon shall continue to remain deferred, and shall continue to accrue interest, on the same terms and at the same rate, as existed on December 31, 2004, except as specifically provided below.

(a) To induce the Executive to remain in the employ of the Company and in consideration and recognition of the services heretofore and hereafter to be rendered by the Executive and Executive's covenants contained herein, the Company hereby agrees to provide the Executive with a deferred compensation benefit ("Deferred Compensation Benefit"). For so long as Executive was a full time employee of the Company, on each anniversary of the date of this Agreement prior to December 31, 2004, the Company credited to the Deferred Compensation Benefit for the period an amount equal to eight percent (8%) of the Executive's Base Salary during the year or other period ending on such date. The Company shall credit interest at the rate of eight percent (8%) per annum from the date on which each amount is credited to the Deferred Compensation Benefit. The Executive's initial Deferred Compensation Benefit shall also include the total Supplemental Retirement Benefit previously accrued by the Executive under a prior version of this Agreement with the Company's subsidiary, Markel North America, Inc.

(b) The aggregate amount of the Deferred Compensation Benefit shall be payable at the time or time elected by the Executive. If the Executive fails to elect a time for payment, the Deferred Compensation Benefit shall be paid at the earlier of the Executive's death or the termination of the Executive's employment with the Company. The Executive may change the time for payment of the Deferred Compensation Benefit by filing a new election with the Company, provided that any election shall not be effective until six months after it is filed with the Company.

(c) The Executive shall determine the form of payment of the Deferred Compensation Benefit from one of the following forms, except as provided in (d) below:

(1) A single lump−sum payment in cash to the Executive or his designated beneficiary.

(2) Payments made to the Executive or his designated beneficiary in equal monthly installments for a period of years.

(d) The Company shall make all payments pursuant to the election of the Executive under Section 11(c), unless any such payments would be non−deductible to the Company under the provisions of Section 162(m) of the Internal Revenue Code. If the payment would be non−deductible, the Company shall make the payment as soon as the payment is deductible by the Company, but no later than thirty (30) days after the end of the Company's taxable year during which the Executive last was a "covered employee" as defined in Treas. Reg. Section 1.162−27(c)(2).

(e) At the request of the Executive or his beneficiary, the Company shall accelerate and pay all or part of the Deferred Compensation Benefit in the event of Hardship in the minimum amount sufficient to relieve the Hardship. Hardship is a severe financial hardship to the Executive (or beneficiary) resulting from a sudden and unexpected illness or accident of the Executive or of a dependent of the Executive, loss of the Executive's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Executive. Section 11(e) shall be operative only if the Executive and Company determine that its operation will not result in the Executive incurring the 20% tax imposed under Section 409A of the Code.

(f) The Deferred Compensation Benefit shall be unfunded. The Company shall not segregate any assets that at any time may represent the Deferred Compensation Benefit.

12. Notices. All notices, consents and other communications under this Agreement shall be in writing and shall be deemed to have been given, delivered or made when delivered personally or when mailed by registered or certified mail, postage prepaid and return receipt requested, addressed to the Company at its principal office in Richmond, Virginia, and to the Executive at his residence as shown upon the employment records of the Company, or to such other address as either party may by notice specify to the other.

13. Modification. No provision of this Agreement, including any provision of this paragraph, may be modified, deleted or amended in any manner except by an agreement in writing executed by Executive and the Company.

14. Benefit. All of the terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Company and its successors and assigns and by the Executive and his heirs and personal representatives.

15. Construction. This Agreement is executed and delivered in the Commonwealth of Virginia and shall be construed and enforced in accordance with the laws of such state.

16. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

In addition, if, at the time of enforcement of this Agreement, a court holds that any restriction stated in this Agreement is unreasonable under the circumstances then existing, the parties agree that the maximum restriction reasonable under such circumstances shall be substituted for the stated restriction.

17. Headings. The underlined headings provided in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

19. Delay in Payments. In response to the AJCA, any payments under this agreement that are treated as made under a deferred compensation plan for purposes of Internal Revenue Code ("Code") Section 409A are intended to meet the requirements of Code Section 409A(a)(2)(B) and any regulations and other guidance under that section. Therefore, if the Executive is a "specified employee" for purposes of Code Section 409A, no payment shall be made before the date provided in Code Section 409A(a)(2)(B) and all payments otherwise payable during that period shall be made to Executive as soon as possible after the date provided in Code Section 409A(a)(2)(B).

/s/ Steven A. Markel

Executive

MARKEL CORPORATION

By: /s/ Alan I. Kirshner

Title: Chairman

EXHIBIT 10.4

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement is made as of the 25th day of February, 2005, between Markel Corporation ("Markel"), and Paul W. Springman ("Executive").

The parties agree as follows:

1. Employment and Duties. The Company employs the Executive as Executive Vice President−Operations. The Executive agrees to devote full time and attention to the business of Markel and its subsidiaries and affiliates and to perform duties normally and properly incident to his position and such further duties as may be assigned to him by the President or Board of Directors of Markel. The duties to be performed by the Executive under this Agreement shall be primarily performed by him in the Richmond, Virginia metropolitan area, provided, however, that the Executive shall travel to the extent reasonably necessary to perform his duties hereunder.

2. Term. Unless sooner terminated pursuant to Sections 4, 5 or 6 of this Agreement, the Company employs the Executive and the Executive agrees to serve the Company for a term of one year from the date of this Agreement. The term of this Agreement shall automatically be extended for additional terms of 1 year, unless either party notifies the other in writing at least 90 days before the expiration of the term of this Agreement that it does not wish to extend the term. If the Company notifies the Executive that it does not wish to extend the term of this Agreement, the Company shall be deemed to have terminated Executive's employment without cause and Executive shall be entitled to the benefits specified in Paragraph 6(b) of this Agreement. If the Executive notifies the Company that Executive does not wish to extend the term of this Agreement, Executive shall be deemed to have voluntarily left the employ of the Company and the Company's obligations to the Executive under this Agreement shall terminate.

3. Salary.

During the term of this Agreement, the Company shall pay (or cause to be paid to) the Executive a salary at a rate of not less than four hundred twenty five thousand dollars ($425,000) per year, which sum shall be payable in bi−weekly installments. The Executive shall be entitled to participate in the Company's bonus program and the Company agrees to review the Executive's salary no less frequently than annually. In the event of an increase in salary or the payment of a bonus, the other terms and conditions of this Agreement shall remain in full force and effect. The salary in effect at any given time is sometimes referred to in this Agreement as "Base Salary."

4. Termination by Death or Disability.

(a) Should the Executive die during the term of employment, the Company shall be obligated to pay any salary and benefits to which the Executive may be entitled until the end of the bi−weekly payroll period in which the death occurs, and the Company shall pay to the Executive's personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of death.

(b) Should the Executive be unable to perform substantially all duties of employment required under this Agreement for 90 consecutive days because of a physical or mental disability, the Company shall then have the right to terminate the Executive's employment by giving the Executive 30 days written notice. After the date of termination, the Company shall pay to the Executive or the Executive's personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of termination.

The onset of a condition of disability under this Agreement shall be determined by the Board of Directors on the basis of (i) a written opinion of a licensed physician certified in his field of specialization and acceptable to the Board, or (ii) the receipt of, or entitlement by the Executive to disability benefits under any insurance policy or employee benefit plan provided or made available by the Company or under Federal Social Security laws.

5. Termination for Cause. The Company, by action of the President or by action of the Board of Directors, may at any time elect to terminate the Company's obligations under this Agreement for "cause" and remove the Executive from employment. Termination for cause shall be made upon 30 days' written notice, and upon expiration of the 30−day notice period, all obligations of the Company to the Executive under this Agreement shall cease.

For purposes of this Agreement “cause” shall be only the following:

(a) continued and deliberate neglect by the Executive, after receipt of notice thereof, of employment duties other than as a result of Executive’s physical or mental disability;

(b) willful misconduct of the Executive in connection with the performance of his duties, including by way of example but not limitation, misappropriation of funds or property of the Company; securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of the Company or violation of any code of conduct or standards of ethics applicable to employees of the Company;

(c) conduct by the Executive which may result in material injury to the reputation of the Company if the Executive were retained in his position with the Company, including by way of example but not limitation, commission of a felony, bankruptcy, insolvency or general assignment for the benefit of creditors;

(d) active disloyalty such as aiding a competitor;

(e) the Executive’s inability to obtain or maintain any required regulatory approvals or authorizations necessary for Executive to perform his duties under this Agreement; or

(f) a breach by the Executive of Sections 7 or 8 of this Agreement.

6. Other Termination.

(a) If the Executive resigns or voluntarily leaves the employ of the Company, except as set forth in Paragraph 6(c) below, the Company’s obligations to the Executive under this Agreement shall terminate and the Company shall have no further liability to the Executive under this Agreement.

(b) The Company, by action of the President or by action of the Board of Directors, may at any time elect to terminate the Company’s obligations under this Agreement without cause and remove the Executive from employment on 30 days’ written notice. If the Company elects to terminate Executive’s employment without cause, then the Executive shall be entitled to receive, subject to compliance by the Executive with the provisions of Sections 7 and 8 of this Agreement, the compensation and benefits (but not any accrued or pro rata bonus) due under this Agreement for a period of twelve (12) months from the date of termination.

(c) If the Executive terminates employment for Good Reason following a Change in Control then Executive shall be entitled to receive, subject to compliance by the Executive with the provisions of Sections 7 and 8 of this Agreement, the compensation and benefits (but not any accrued or pro rata bonus) due under this Agreement for a period of twelve (12) months from the date of termination. At the end of the twelve (12) month period Executive shall also be entitled to receive, subject to compliance by Executive with the provisions of Sections 7 and 8 of this Agreement, a lump sum payment equal to the amount of bonus, if any, received by Executive for the calendar year preceding the year in which termination occurs. For these purposes "Change in Control" means the occurrence of any of the following events:

(i) Stock Acquisition. The acquisition by any individual, entity or group, within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (a "Person") of beneficial ownership (within the meaning of Rule 13d−3 promulgated under the Exchange Act) of 20 percent or more of either (A) the then outstanding shares of common stock of Markel (the "Outstanding Company Common Stock"), or (B) the combined voting power of the then outstanding voting securities of Markel entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a change in control: (A) any acquisition directly from Markel; (B) any acquisition by Markel; (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Markel or any corporation controlled by Markel; or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section; or

(ii) Board Composition. Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election or nomination for election by Markel's shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individuals whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Business Combination. The consummation of a reorganization, merger, consolidation, or sale or other disposition of all or substantially all of the assets of Markel (a "Business Combination"), unless, following such Business Combination:

(A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50 percent of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns Markel or all or substantially all of the assets of Markel either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;

(B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of Markel or such corporation resulting from such Business

Combination) beneficially owns, directly or indirectly, 20 percent or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination; and

(C) at least a majority of the members of the board of directors or other governing body of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board providing for such Business Combination.

(iv) Liquidation or Dissolution. Approval by the shareholders of Markel of a complete liquidation or dissolution of Markel.

"Good Reason" means unless and to the extent otherwise waived in writing by the Executive, the termination of the Executive's employment with the Company which is initiated by the Executive and that occurs within 90 days of any of the following events (excluding for this purpose, isolated, insubstantial and inadvertent actions not taken in bad faith and which are remedied by the Company within 15 days after receipt of written notice thereof given by the Executive):

(i) a decrease in the Executive's aggregate annual base salary and incentive bonus opportunity in effect as of the date of the Change in Control or a material reduction in the amount of additional benefits or perquisites provided to the Executive as of the date of the Change in Control;

(ii) the assignment of duties and responsibilities to the Executive that materially reduce the level and types of duties and responsibilities of the Executive as of the date of the Change in Control;

(iii) a material change in the Executive's working conditions which causes such working conditions to cease to be comparable to the working conditions of similarly situated executives of Company and its subsidiaries after the date of the Change in Control; or

(iv) the Company changes by 50 miles or more the principal location in which the Executive is required to perform services from the location at which the Executive was employed as of the date of the Change in Control.

7. Confidential Information and Trade Secrets. As consideration for and to induce the employment of the Executive by the Company, the Executive agrees that:

(a) All information relating to or used in the business and operations of the Company and its subsidiaries and corporate affiliates (including, without limitation, marketing methods and procedures, customer lists, lists of professionals referring customers to the Company and its subsidiaries and corporate affiliates, sources of supplies and materials and business systems and procedures), whether prepared, compiled, developed or obtained by the Executive or by the Company or any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be confidential information and trade secrets ("Confidential Information") and the exclusive property of the Company, its subsidiaries and corporate affiliates. Confidential Information does not include information which (i) is or was already in Executive's possession prior to employment, (ii) becomes generally available to the public other than as a result of a disclosure by Executive or (iii) becomes available to Executive on a non−confidential basis from a source other than the Company, provided that such source is not known to be bound by a confidentiality agreement or other obligation of secrecy with respect to such information.

(b) All records of and materials relating to Confidential Information or other information, whether in written form or in a form produced or stored by any electrical or mechanical means or process and whether prepared, compiled or obtained by the Executive or by the Company or any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be the exclusive property of the Company or its subsidiaries or corporate affiliates, as the case may be.

(c) Except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during or after the term of this Agreement and his employment by the Company, copy, reproduce, disclose or divulge to others, use or permit others to see any Confidential Information or any records of or materials relating to any such Confidential Information. The Executive further agrees that during the term of this Agreement and his employment by the Company he shall not remove from the custody or control of the Company or its subsidiaries or corporate affiliates any records of or any materials relating to Confidential Information or other information and that upon the termination of this Agreement he shall deliver the same to the Company and its subsidiaries and corporate affiliates.

8. Covenants. As consideration for and to induce the employment and continued employment of the Executive by the Company, the Executive agrees that, except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during the term of this Agreement and for a period of 12 months immediately following the termination of this Agreement, Executive will not directly or indirectly serve in an executive or sales position for any entity that competes with Markel and its subsidiaries. These restrictions all benefit Markel and their predecessors and successors, whether by sale, merger, consolidation or otherwise.

9. Survival of Covenants and Remedies. The agreements made by the Executive in Sections 7 and 8 shall survive the termination of this Agreement and the Executive’s employment. Each such agreement by the Executive shall be construed as an agreement independent of any other provision of this Agreement, and the existence of any claim or cause of action by the Executive against the Company shall not constitute a defense to the enforcement of the provisions of Sections 7 or 8. The Executive acknowledges and agrees that the Company will sustain irreparable injury in the event of a breach or threatened breach by the Executive of the provisions of Sections 7 or 8 and that the Company does not and will not have any adequate remedy at law for such breach or threatened breach. Accordingly, the Executive agrees that if he breaches or threatens to breach any such covenant or agreement, the Company shall be entitled to immediate injunctive relief. The foregoing shall not, however, be deemed to limit the Company’s remedies at law or in equity for any such breach or threatened breach.

10. Notices. All notices, consents and other communications under this Agreement shall be in writing and shall be deemed to have been given, delivered or made when delivered personally or when mailed by registered or certified mail, postage prepaid and return receipt requested, addressed to the Company at its principal office in Richmond, Virginia, and to the Executive at his residence as shown upon the employment records of the Company, or to such other address as either party may by notice specify to the other.

11. Modification. No provision of this Agreement, including any provision of this Section, may be modified, deleted or amended in any manner except by an agreement in writing executed by Executive and the Company.

12. Benefit. All of the terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Company and its successors and assigns and by the Executive and his heirs and personal representatives.

13. Construction and Venue. This Agreement is executed and delivered in the Commonwealth of Virginia and shall be construed and enforced in accordance with the laws of such state. EXECUTIVE AND THE COMPANY AGREE THAT THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA OR THE CIRCUIT COURT FOR THE COUNTY OF HENRICO, VIRGINIA SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

14. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

In addition, if, at the time of enforcement of this Agreement, a court holds that any restriction stated in this Agreement is unreasonable under the circumstances then existing, the parties agree that the maximum restriction reasonable under such circumstances shall be substituted for the stated restriction.

15. Headings. The underlined headings provided in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

17. Withholding. There shall be withheld from amounts due Executive under this Agreement such income taxes, contributions and other amounts as may be required to be withheld under applicable law.

18. Delay in Payments. In response to the American Jobs Creation Act of 2004 (“AJCA”), any payments under this agreement that are treated as made under a deferred compensation plan for purposes of Internal Revenue Code (“Code”) Section 409A are intended to meet the requirements of Code Section 409A(a)(2)(B) and any regulations and other guidance under that section. Therefore, if the Executive is a “specified employee” for purposes of Code Section 409A, no payment shall be made before the date provided in Code Section 409A(a)(2)(B) and all payments otherwise payable during that period shall be made to Executive as soon as possible after the date provided in Code Section 409A(a)(2)(B).

/s/ Paul W. Springman

Executive

MARKEL CORPORATION

By: /s/ Alan I. Kirshner

Title: Chairman

EXHIBIT 10.5

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement is made as of the 25th day of February, 2005, between Markel Corporation ("Markel"), and Thomas S. Gayner ("Executive").

The parties agree as follows:

1. Employment and Duties. The Company employs the Executive as Executive Vice President and Chief Investment Officer. The Executive agrees to devote full time and attention to the business of Markel and its subsidiaries and affiliates and to perform duties normally and properly incident to his position and such further duties as may be assigned to him by the Vice−Chairman or Board of Directors of Markel. The duties to be performed by the Executive under this Agreement shall be primarily performed by him in the Richmond, Virginia metropolitan area, provided, however, that the Executive shall travel to the extent reasonably necessary to perform his duties hereunder.

2. Term. Unless sooner terminated pursuant to Sections 4, 5 or 6 of this Agreement, the Company employs the Executive and the Executive agrees to serve the Company for a term of one year from the date of this Agreement. The term of this Agreement shall automatically be extended for additional terms of 1 year, unless either party notifies the other in writing at least 90 days before the expiration of the term of this Agreement that it does not wish to extend the term. If the Company notifies the Executive that it does not wish to extend the term of this Agreement, the Company shall be deemed to have terminated Executive's employment without cause and Executive shall be entitled to the benefits specified in Paragraph 6(b) of this Agreement. If the Executive notifies the Company that Executive does not wish to extend the term of this Agreement, Executive shall be deemed to have voluntarily left the employ of the Company and the Company's obligations to the Executive under this Agreement shall terminate.

3. Salary.

During the term of this Agreement, the Company shall pay (or cause to be paid to) the Executive a salary at a rate of not less than four hundred twenty five thousand dollars ($425,000) per year, which sum shall be payable in bi−weekly installments. The Executive shall be entitled to participate in the Company's bonus program and the Company agrees to review the Executive's salary no less frequently than annually. In the event of an increase in salary or the payment of a bonus, the other terms and conditions of this Agreement shall remain in full force and effect. The salary in effect at any given time is sometimes referred to in this Agreement as “Base Salary.”

4. Termination by Death or Disability.

(a) Should the Executive die during the term of employment, the Company shall be obligated to pay any salary and benefits to which the Executive may be entitled until the end of the bi−weekly payroll period in which the death occurs, and the Company shall pay to the Executive’s personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of death.

(b) Should the Executive be unable to perform substantially all duties of employment required under this Agreement for 90 consecutive days because of a physical or mental disability, the Company shall then have the right to terminate the Executive’s employment by giving the Executive 30 days written notice. After the date of termination, the Company shall pay to the Executive or the Executive’s personal representatives amounts equal to and payable at the same time as the installments of Base Salary theretofore regularly paid to the Executive for a period of twelve months beginning as of the date of termination.

The onset of a condition of disability under this Agreement shall be determined by the Board of Directors on the basis of (i) a written opinion of a licensed physician certified in his field of specialization and acceptable to the Board, or (ii) the receipt of, or entitlement by the Executive to disability benefits under any insurance policy or employee benefit plan provided or made available by the Company or under Federal Social Security laws.

5. Termination for Cause. The Company, by action of the Vice−Chairman or by action of the Board of Directors, may at any time elect to terminate the Company’s obligations under this Agreement for “cause” and remove the Executive from employment. Termination for cause shall be made upon 30 days’ written notice, and upon expiration of the 30−day notice period, all obligations of the Company to the Executive under this Agreement shall cease.

For purposes of this Agreement "cause" shall be only the following:

(a) continued and deliberate neglect by the Executive, after receipt of notice thereof, of employment duties other than as a result of Executive's physical or mental disability;

(b) willful misconduct of the Executive in connection with the performance of his duties, including by way of example but not limitation, misappropriation of funds or property of the Company; securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of the Company or violation of any code of conduct or standards of ethics applicable to employees of the Company;

(c) conduct by the Executive which may result in material injury to the reputation of the Company if the Executive were retained in his position with the Company, including by way of example but not limitation, commission of a felony, bankruptcy, insolvency or general assignment for the benefit of creditors;

(d) active disloyalty such as aiding a competitor;

(e) the Executive's inability to obtain or maintain any required regulatory approvals or authorizations necessary for Executive to perform his duties under this Agreement; or

(f) a breach by the Executive of Sections 7 or 8 of this Agreement.

6. Other Termination.

(a) If the Executive resigns or voluntarily leaves the employ of the Company, except as set forth in Paragraph 6(c) below, the Company's obligations to the Executive under this Agreement shall terminate and the Company shall have no further liability to the Executive under this Agreement.

(b) The Company, by action of the Vice−Chairman or by action of the Board of Directors, may at any time elect to terminate the Company's obligations under this Agreement without cause and remove the Executive from employment on 30 days' written notice. If the Company elects to terminate Executive's employment without cause, then the Executive shall be entitled to receive, subject to compliance by the Executive with the provisions of Sections 7 and 8 of this Agreement, the compensation and benefits (but not any accrued or pro rata bonus) due under this Agreement for a period of twelve (12) months from the date of termination.

(c) If the Executive terminates employment for Good Reason following a Change in Control then Executive shall be entitled to receive, subject to compliance by the Executive with the provisions of Sections 7 and 8 of this Agreement, the compensation and benefits (but not any accrued or pro rata bonus) due under this Agreement for a period of twelve (12) months from the date of termination. At the end of the twelve (12) month period Executive shall also be entitled to receive, subject to compliance by Executive with the provisions of Sections 7 and 8 of this Agreement, a lump sum payment equal to the amount of bonus, if any, received by Executive for the calendar year preceding the year in which termination occurs. For these purposes "Change in Control" means the occurrence of any of the following events:

(i) Stock Acquisition. The acquisition by any individual, entity or group, within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (a "Person") of beneficial ownership (within the meaning of Rule 13d−3 promulgated under the Exchange Act) of 20 percent or more of either (A) the then outstanding shares of common stock of Markel (the "Outstanding Company Common Stock"), or (B) the combined voting power of the then outstanding voting securities of Markel entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a change in control: (A) any acquisition directly from Markel; (B) any acquisition by Markel; (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Markel or any corporation controlled by Markel; or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section; or

(ii) Board Composition. Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election or nomination for election by Markel's shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individuals whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Business Combination. The consummation of a reorganization, merger, consolidation, or sale or other disposition of all or substantially all of the assets of Markel (a “Business Combination”), unless, following such Business Combination:

(A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50 percent of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns Markel or all or substantially all of the assets of Markel either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;

(B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of Markel or such corporation resulting from such Business

Combination) beneficially owns, directly or indirectly, 20 percent or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination; and

(C) at least a majority of the members of the board of directors or other governing body of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board providing for such Business Combination.

(iv) Liquidation or Dissolution. Approval by the shareholders of Markel of a complete liquidation or dissolution of Markel.

"Good Reason" means unless and to the extent otherwise waived in writing by the Executive, the termination of the Executive's employment with the Company which is initiated by the Executive and that occurs within 90 days of any of the following events (excluding for this purpose, isolated, insubstantial and inadvertent actions not taken in bad faith and which are remedied by the Company within 15 days after receipt of written notice thereof given by the Executive):

(i) a decrease in the Executive's aggregate annual base salary and incentive bonus opportunity in effect as of the date of the Change in Control or a material reduction in the amount of additional benefits or perquisites provided to the Executive as of the date of the Change in Control;

(ii) the assignment of duties and responsibilities to the Executive that materially reduce the level and types of duties and responsibilities of the Executive as of the date of the Change in Control;

(iii) a material change in the Executive's working conditions which causes such working conditions to cease to be comparable to the working conditions of similarly situated executives of Company and its subsidiaries after the date of the Change in Control; or

(iv) the Company changes by 50 miles or more the principal location in which the Executive is required to perform services from the location at which the Executive was employed as of the date of the Change in Control.

7. Confidential Information and Trade Secrets. As consideration for and to induce the employment of the Executive by the Company, the Executive agrees that:

(a) All information relating to or used in the business and operations of the Company and its subsidiaries and corporate affiliates (including, without limitation, marketing methods and procedures, customer lists, lists of professionals referring customers to the Company and its subsidiaries and corporate affiliates, sources of supplies and materials and business systems and procedures), whether prepared, compiled, developed or obtained by the Executive or by the Company or any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be confidential information and trade secrets ("Confidential Information") and the exclusive property of the Company, its subsidiaries and corporate affiliates. Confidential Information does not include information which (i) is or was already in Executive's possession prior to employment, (ii) becomes generally available to the public other than as a result of a disclosure by Executive or (iii) becomes available to Executive on a non−confidential basis from a source other than the Company, provided that such source is not known to be bound by a confidentiality agreement or other obligation of secrecy with respect to such information.

(b) All records of and materials relating to Confidential Information or other information, whether in written form or in a form produced or stored by any electrical or mechanical means or process and whether prepared, compiled or obtained by the Executive or by the Company or any of its subsidiaries or corporate affiliates prior to or during the term of this Agreement, are and shall be the exclusive property of the Company or its subsidiaries or corporate affiliates, as the case may be.

(c) Except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during or after the term of this Agreement and his employment by the Company, copy, reproduce, disclose or divulge to others, use or permit others to see any Confidential Information or any records of or materials relating to any such Confidential Information. The Executive further agrees that during the term of this Agreement and his employment by the Company he shall not remove from the custody or control of the Company or its subsidiaries or corporate affiliates any records of or any materials relating to Confidential Information or other information and that upon the termination of this Agreement he shall deliver the same to the Company and its subsidiaries and corporate affiliates.

8. Covenants. As consideration for and to induce the employment and continued employment of the Executive by the Company, the Executive agrees that, except in the regular course of his employment or as the Company may expressly authorize or direct in writing, the Executive shall not, during the term of this Agreement and for a period of 12 months immediately following the termination of this Agreement, Executive will not directly or indirectly serve in an executive or investment position for any entity that competes with Markel and its subsidiaries. These restrictions all benefit Markel and their predecessors and successors, whether by sale, merger, consolidation or otherwise.

9. Survival of Covenants and Remedies. The agreements made by the Executive in Sections 7 and 8 shall survive the termination of this Agreement and the Executive's employment. Each such agreement by the Executive shall be construed as an agreement independent of any other provision of this Agreement, and the existence of any claim or cause of action by the Executive against the Company shall not constitute a defense to the enforcement of the provisions of Sections 7 or 8. The Executive acknowledges and agrees that the Company will sustain irreparable injury in the event of a breach or threatened breach by the Executive of the provisions of Sections 7 or 8 and that the Company does not and will not have any adequate remedy at law for such breach or threatened breach. Accordingly, the Executive agrees that if he breaches or threatens to breach any such covenant or agreement, the Company shall be entitled to immediate injunctive relief. The foregoing shall not, however, be deemed to limit the Company's remedies at law or in equity for any such breach or threatened breach.

10. Notices. All notices, consents and other communications under this Agreement shall be in writing and shall be deemed to have been given, delivered or made when delivered personally or when mailed by registered or certified mail, postage prepaid and return receipt requested, addressed to the Company at its principal office in Richmond, Virginia, and to the Executive at his residence as shown upon the employment records of the Company, or to such other address as either party may by notice specify to the other.

11. Modification. No provision of this Agreement, including any provision of this Section, may be modified, deleted or amended in any manner except by an agreement in writing executed by Executive and the Company.

12. Benefit. All of the terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Company and its successors and assigns and by the Executive and his heirs and personal representatives.

13. Construction and Venue. This Agreement is executed and delivered in the Commonwealth of Virginia and shall be construed and enforced in accordance with the laws of such state. EXECUTIVE AND THE COMPANY AGREE THAT THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA OR THE CIRCUIT COURT FOR THE COUNTY OF HENRICO, VIRGINIA SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

14. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

In addition, if, at the time of enforcement of this Agreement, a court holds that any restriction stated in this Agreement is unreasonable under the circumstances then existing, the parties agree that the maximum restriction reasonable under such circumstances shall be substituted for the stated restriction.

15. Headings. The underlined headings provided in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

17. Withholding. There shall be withheld from amounts due Executive under this Agreement such income taxes, contributions and other amounts as may be required to be withheld under applicable law.

18. Delay in Payments. In response to the American Jobs Creation Act of 2004 (“AJCA”), any payments under this agreement that are treated as made under a deferred compensation plan for purposes of Internal Revenue Code (“Code”) Section 409A are intended to meet the requirements of Code Section 409A(a)(2)(B) and any regulations and other guidance under that section. Therefore, if the Executive is a “specified employee” for purposes of Code Section 409A, no payment shall be made before the date provided in Code Section 409A(a)(2)(B) and all payments otherwise payable during that period shall be made to Executive as soon as possible after the date provided in Code Section 409A(a)(2)(B).

/s/ Thomas S. Gayner

Executive

MARKEL CORPORATION

By: /s/ Alan I. Kirshner

Title: Chairman

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a−14(a)/15d−14(a)

I, Alan I. Kirshner, certify that:

1. I have reviewed this quarterly report on Form 10−Q of Markel Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Alan I. Kirshner

May 3, 2005

Alan I. Kirshner
Chairman and
Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a−14(a)/15d−14(a)**

I, Darrell D. Martin, certify that:

1. I have reviewed this quarterly report on Form 10−Q of Markel Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 3, 2005

/s/ Darrell D. Martin

Darrell D. Martin
Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
FURNISHED PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Markel Corporation (the “Company”) on Form 10−Q for the period ended March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Alan I. Kirshner, Chairman and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Alan I. Kirshner

Alan I. Kirshner
Chairman and Chief Executive Officer
May 3, 2005

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
FURNISHED PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Markel Corporation (the “Company”) on Form 10−Q for the period ended March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Darrell D. Martin, Executive Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Darrell D. Martin

Darrell D. Martin
Executive Vice President and
Chief Financial Officer
May 3, 2005