

MARKEL CORP
Form 424B5
August 10, 2004
Table of Contents

Filed pursuant to Rule 424(b)(5)

Registration No. 333-71952

PROSPECTUS SUPPLEMENT

(To prospectus dated October 31, 2001)

\$200,000,000

7.35% Senior Notes due 2034

We will pay interest on the notes on February 15 and August 15 of each year, beginning February 15, 2005. The notes will mature on August 15, 2034. We may not redeem the notes before maturity.

The notes will be unsecured obligations and rank equally with our unsecured senior indebtedness. The notes will be issued in registered form in denominations of \$1,000.

Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-6 of this prospectus supplement.

	<u>Per Note</u>	<u>Total</u>
Public offering price(1)	99.735%	\$ 199,470,000
Underwriting discount	1.327%	\$ 2,654,000
Proceeds, before expenses, to Markel	98.408%	\$ 196,816,000

(1) Plus accrued interest from August 13, 2004, if settlement occurs after that date

Edgar Filing: MARKEL CORP - Form 424B5

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form only through The Depository Trust Company on or about August 13, 2004.

Sole Book-Running Manager

Wachovia Securities

The date of this prospectus supplement is August 9, 2004.

Table of Contents**TABLE OF CONTENTS****Prospectus Supplement**

	Page
<u>Note on Forward-Looking and Cautionary Statements</u>	S-3
<u>Summary</u>	S-4
<u>Risk Factors</u>	S-6
<u>Use of Proceeds</u>	S-8
<u>Ratio of Earnings to Fixed Charges</u>	S-8
<u>Description of Notes</u>	S-9
<u>Where You Can Find More Information</u>	S-13
<u>Underwriting</u>	S-14
<u>Validity of Notes</u>	S-15
<u>Experts</u>	S-16

Prospectus

<u>Markel Corporation</u>	2
<u>The Capital Trust</u>	2
<u>Unaudited Pro Forma Condensed Financial Information</u>	3
<u>Risk Factors</u>	6
<u>Note on Forward-Looking Statements</u>	7
<u>Ratio of Earnings to Fixed Charges</u>	8
<u>Use of Proceeds</u>	8
<u>Description of Capital Stock</u>	9
<u>Description of Warrants</u>	11
<u>Description of Debt Securities</u>	12
<u>Description of the Trust Preferred Securities</u>	23
<u>Description of the Guarantee</u>	31
<u>Description of Share Purchase Contracts and Share Purchase Units</u>	35
<u>Plan of Distribution</u>	35
<u>Selling Security Holders</u>	37
<u>About This Prospectus</u>	38
<u>Where You Can Find More Information About Markel</u>	38
<u>Incorporation of Information We File With the SEC</u>	38
<u>Legal Matters</u>	39
<u>Experts</u>	39

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to us and our financial condition. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the notes we are offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent the description of the notes in this prospectus supplement differs from the description in the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in this document or to which this document refers you. We have not, and the underwriter has not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should

Edgar Filing: MARKEL CORP - Form 424B5

not rely on it. We are not, and the underwriter is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

S-2

Table of Contents

NOTE ON FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This prospectus contains or incorporates by reference forward-looking statements. It also contains or incorporates general cautionary statements regarding our business, estimates and management assumptions. Future actual results may materially differ from these statements because of many factors. Among other things:

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 us and the insurance industry;

Our anticipated premium growth 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;

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;

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 discontinued lines and related reinsurance programs and exposures. Adverse experience in these areas could lead to additional charges;

Regulatory actions can impede our ability to charge adequate rates and efficiently allocate capital; and

Economic conditions, interest rates and foreign exchange rate volatility 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.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed or incorporated by reference in this prospectus supplement might not occur. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as at their dates.

Table of Contents

SUMMARY

This summary highlights selected information from this prospectus supplement and the accompanying prospectus to help you understand us and the notes. The Description of Notes section of this prospectus supplement and the Description of Debt Securities section of the accompanying prospectus contain more detailed information regarding the terms and conditions of the notes. You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the notes and the other considerations that are important to you in making a decision about whether to invest in the notes.

Unless otherwise indicated, references in this prospectus supplement to Markel , we , us and our are to Markel Corporation and its subsidiaries.

Markel Corporation

We sell 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 and surplus lines market;

the specialty admitted market; and

the London insurance market.

Our financial goals are to earn consistent underwriting profits and superior investment returns to build shareholder value. We are a Virginia corporation headquartered at 4521 Highwoods Parkway, Glen Allen, Virginia 23060-6148, telephone number (804) 747-0136.

Ratio of Earnings to Fixed Charges

The results below include Markel International (Terra Nova (Bermuda) Holdings Ltd.) since its acquisition by us on March 24, 2000. The following table sets forth our historical ratio of earnings to fixed charges for each of the last five fiscal years and for the six month period ended June 30, 2004 and our pro forma ratio of earnings to fixed charges for fiscal 2003 and for the six month period ended June 30, 2004. The pro forma ratio gives effect to the offering of the notes and the application of the net proceeds from the offering of the notes as if such transactions had occurred at the beginning of the respective period.

Pro Forma		Six Months Ended	Year Ended December 31,
Six Months Ended	Year Ended	June 30, 2004	

Edgar Filing: MARKEL CORP - Form 424B5

<u>June 30, 2004</u>	<u>Dec. 31, 2003</u>		<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<u>5.2</u>	3.4	6.4	4.3	3.7	*	*	3.0

* For 2001 and 2000, our earnings were insufficient to cover fixed charges by \$182.2 million and \$51.8 million, respectively.

S-4

Table of Contents

The Offering

Issuer	Markel Corporation
Notes offered	\$200,000,000 aggregate principal amount of 7.35% Senior Notes due 2034.
Maturity	August 15, 2034
Interest payment dates	February 15 and August 15, beginning February 15, 2005.
Redemption	The notes are not redeemable at any time, in whole or in part.
Sinking fund	None.
Ranking	<p>The notes will be our direct, unsecured and unsubordinated obligations, ranking equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The notes will be effectively junior in right of payment to any secured indebtedness to the extent of the value of the assets securing such indebtedness. The notes will also be effectively junior in right of payment to all of the liabilities of our subsidiaries.</p> <p>As of June 30, 2004, after giving pro forma effect to this offering and to our use of the net proceeds as described under <i>Use of Proceeds</i>, we would have had approximately \$705 million of unsubordinated indebtedness outstanding. In addition, we have outstanding \$150 million of subordinated obligations relating to trust preferred securities. We currently have no secured debt, and our subsidiaries have no outstanding indebtedness for borrowed money.</p>
Covenants	The supplemental indenture for the notes contains limitations on our ability to incur certain liens securing debt. See <i>Description of Notes</i> <i>Limitation on Liens</i> . The indenture also contains, among other things, restrictions on our ability to enter into some consolidations, mergers or transfers of all or substantially all of our assets.
Use of proceeds	We intend to use the net proceeds from the sale of the notes to repay outstanding indebtedness and for general corporate purposes. See <i>Use of Proceeds</i> on page S-8.
Risk factors	You should carefully consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, should carefully read the section entitled <i>Risk Factors</i> before purchasing any of the notes.
Clearance and Settlement	The notes will be cleared through The Depository Trust Company.

Table of Contents

RISK FACTORS

An investment in the notes involves risks. In addition to the matters addressed in [Note on Forward-Looking and Cautionary Statements](#) and other information included or incorporated in this prospectus supplement and the accompanying prospectus, you should consider the following risk factors in determining whether to purchase the notes.

Our holding company structure results in structural subordination which may affect our ability to make payments on the notes.

The notes are obligations exclusively of Markel Corporation. We are a holding company and, accordingly, substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and our ability to service our debt, including the notes, is dependent upon the earnings of our subsidiaries and on the distribution of earnings, loans or other payments by our subsidiaries to us. In addition, payment of dividends by our insurance subsidiaries may require prior regulatory notice or approval. The notes will be structurally subordinated to all obligations of our subsidiaries, which means that holders of obligations of our subsidiaries have claims on the assets of those subsidiaries that have priority to claims of holders of the notes. Our debt agreements do not limit the amount of debt that we or any of our subsidiaries may incur.

Our results may be affected because actual insured losses differ from our loss reserves.

Significant periods of time often elapse between the occurrence of an insured loss, the reporting of the loss to us and our payment of that loss. To recognize liabilities for unpaid losses, we establish reserves as balance sheet liabilities representing estimates of amounts needed to pay reported and unreported losses and the related loss adjustment expenses. The process of estimating loss reserves is a difficult and complex exercise involving many variables and subjective judgments. As part of the reserving process, we review historical data and consider the impact of various factors such as:

trends in claim frequency and severity,

changes in operations,

emerging economic and social trends,

uncertainties relating to asbestos and environmental exposures,

inflation, and

changes in the regulatory and litigation environments.

This process assumes that past experience, adjusted for the effects of current developments and anticipated trends, is an appropriate basis for predicting future events. There is no precise method, however, for evaluating the impact of any specific factor on the adequacy of reserves, and actual results will differ from original estimates. As part of the reserving process, we regularly review our loss reserves and make adjustments as

necessary. Future increases in reserves could result in additional charges.

We may experience losses from catastrophes.

Because we are a property and casualty insurance company, we frequently experience losses from man-made or natural catastrophes. Catastrophes may have a material adverse effect on operations. Catastrophes include windstorms, hurricanes, earthquakes, tornadoes, hail, severe winter weather and fires and may include terrorist events such as the attacks on the World Trade Center and the Pentagon on September 11, 2001. We are legally required to offer terrorism insurance and could sustain material losses in the event of a covered terrorist attack.

S-6

Table of Contents

In addition, we cannot predict how severe a particular catastrophe may be until after it occurs. The extent of losses from catastrophes is a function of the total amount of losses incurred, the number of insureds affected, the frequency of the events and the severity of the particular catastrophe. Most catastrophes occur in small geographic areas. However, some catastrophes may produce significant damage in large, heavily populated areas.

We are subject to regulation by insurance regulatory authorities that may affect our ability to implement our business objectives.

Our insurance subsidiaries are subject to supervision and regulation by the insurance regulatory authorities in the various jurisdictions in which they conduct business. Regulation is intended for the benefit of policyholders rather than shareholders or holders of debt securities. Insurance regulatory authorities have broad regulatory, supervisory and administrative powers relating to solvency standards, licensing, policy rates and forms and the form and content of financial reports. Regulatory actions may affect our ability to implement our business objectives. Also, payment of dividends by our insurance subsidiaries may require prior regulatory notice or approval.

Our investment results may be impacted by changes in interest rates, government monetary policies and general economic conditions.

We receive premiums from customers for insuring their risks. We invest these funds until they are needed to pay policyholder claims or until they are recognized as profits. Many of the policies we issue are denominated in foreign currencies. Fluctuations in the value of our investment portfolio can occur as a result of changes in interest rates, government monetary policies and general economic conditions. Our investment results may be impacted by these factors.

Because we rely on reinsurance, we bear collection risk if the reinsurer fails to meet its obligations under the reinsurance agreement.

We purchase reinsurance in order to reduce our retention on individual risks and to have the ability to underwrite policies with sufficient limits to meet policyholder needs. The ceding of insurance does not legally discharge us from our primary liability for the full amount of the policies.

Such reliance on reinsurance may create credit risk as a result of the reinsurer's inability or unwillingness to pay reinsurance claims when due. Deterioration in the credit quality of existing reinsurers or disputes over the terms of reinsurance could result in additional charges, which may adversely impact our profitability.

A ratings decline could adversely affect the value of the notes.

Any of the agencies that rate our debt have the ability to lower the ratings currently assigned to our debt at any time, as a result of their views about our current or future business, financial condition or results of operations. Any ratings decline could adversely affect the value of the notes.

Edgar Filing: MARKEL CORP - Form 424B5

A public market does not currently exist for the notes and a market may not develop or be sustained.

We do not plan to list the notes on any securities exchange or to include them in any automated quotation system. The notes will represent new securities for which no market currently exists. Although a market exists for our currently outstanding debt securities, there can be no assurance that an active trading market for the notes will develop or, if a market develops, that it will be liquid or sustainable.

S-7

Table of Contents**USE OF PROCEEDS**

We estimate that the net proceeds of the offering, after deducting the underwriting discount, will be approximately \$196.8 million. We intend to use approximately \$110 million of the net proceeds of the offering to repay outstanding indebtedness under our existing credit facility and the remainder for general corporate purposes. At June 30, 2004, this credit facility, which expires December 31, 2006, bore interest at a weighted average rate of 2.4%. The repayment of amounts under this credit facility will not reduce the lenders' commitments under it.

RATIO OF EARNINGS TO FIXED CHARGES

The results below include Markel International (Terra Nova (Bermuda) Holdings Ltd.) since its acquisition by us on March 24, 2000. The following table sets forth our historical ratio of earnings to fixed charges for each of the last five fiscal years and for the six month period ended June 30, 2004 and our pro forma ratio of earnings to fixed charges for fiscal 2003 and for the six month period ended June 30, 2004. The pro forma ratio gives effect to the offering of the notes and the application of the net proceeds from the offering of the notes as if such transactions had occurred at the beginning of the respective period.

Pro Forma		Year Ended December 31,					
Six Months Ended	Year Ended	Six Months Ended	2003	2002	2001	2000	1999
June 30, 2004	Dec. 31, 2003	June 30, 2004					
5.2	3.4	6.4	4.3	3.7	*	*	3.0

The ratio of earnings to fixed charges is computed by dividing pretax income from continuing operations before fixed charges by fixed charges. Fixed charges consist of interest charges and amortization of debt expense and discount or premium related to indebtedness, whether expensed or capitalized, and that portion of rental expense we believe to be representative of interest.

* For 2001 and 2000, our earnings were insufficient to cover fixed charges by \$182.2 million and \$51.8 million, respectively.

Table of Contents

DESCRIPTION OF NOTES

Set forth below is a description of the specific terms of the notes. This description supplements, and should be read together with, the description of the general terms and provisions of the Senior Debt Securities set forth in the accompanying prospectus under the caption "Description of Debt Securities" and, to the extent it is inconsistent with the accompanying prospectus, replaces the description in the accompanying prospectus. The notes will be issued under an indenture dated as of June 5, 2001, between Markel and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as indenture trustee, as supplemented and amended by a third supplemental indenture, dated as of August 13, 2004 (as amended, the "Indenture"). The following description is not complete in every detail and is subject to, and is qualified in its entirety by reference to, the description of the notes in the accompanying prospectus and the Indenture. Capitalized terms used in this "Description of Notes" that are not defined in this prospectus supplement have the meanings given to them in the accompanying prospectus or the Indenture.

As used in this section "Description of Notes" and in the accompanying prospectus under the caption "Description of Debt Securities," any references to "the Company," "us," "we," "our" or "Markel" are to Markel Corporation, excluding its subsidiaries.

General

The notes will initially be limited in aggregate principal amount to \$200,000,000. We may, without the consent of the existing holders of notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes. Any additional notes having such similar terms, together with the notes, will constitute a single series of notes under the Indenture.

The entire principal amount of the notes will mature and become due and payable, together with any accrued and unpaid interest, on August 15, 2034. The notes are not subject to any sinking fund provision. The notes will be issued only in registered form in denominations of \$1,000 and integral multiples of \$1,000.

Ranking

The notes will be our direct, unsecured and unsubordinated obligations ranking equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The notes will be effectively junior in right of payment to any secured indebtedness to the extent of the value of the assets securing such indebtedness. We currently have no secured debt. As of June 30, 2004, after giving pro forma effect to this offering and to our use of the net proceeds as described under "Use of Proceeds," we would have had approximately \$705 million of unsubordinated indebtedness outstanding. In addition, we have outstanding \$150 million of subordinated obligations relating to trust preferred securities.

The notes will also be effectively junior in right of payment to all of the liabilities of our subsidiaries. Because we are a holding company and conduct all of our operations through our subsidiaries, our ability to meet our obligations under the notes is dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to us. Holders of notes will generally have a junior position to claims of creditors of our subsidiaries, including insureds, trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders. Our subsidiaries currently have no outstanding indebtedness for borrowed money.

Edgar Filing: MARKEL CORP - Form 424B5

Unless otherwise described below under Limitation on Liens or in the accompanying prospectus under Description of Debt Securities Consolidation, Merger and Sale of Assets, the Indenture does not contain any provisions that would limit our ability or the ability of our subsidiaries to incur indebtedness or that would afford holders of the notes protection in the event of a sudden and significant decline in our credit quality or a takeover, recapitalization or highly leveraged similar transaction involving our company.

S-9

Table of Contents

Accordingly, we could in the future enter into transactions that could increase the amount of our or our subsidiaries' indebtedness outstanding at that time or otherwise affect our capital structure or credit rating.

Interest

Each note will bear interest at the rate of 7.35% per year from August 13, 2004 or from the most recent date on which interest has been paid.

Interest is payable semi-annually in arrears on February 15 and August 15 of each year (each, an Interest Payment Date). The initial Interest Payment Date is February 15, 2005. The amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months. If any date on which interest is payable on the notes is not a business day, then payment of the interest payable on that date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any delay), with the same force and effect as if made on such date.

So long as the notes remain in book-entry form, the record date for each Interest Payment Date will be the close of business on the business day before the applicable Interest Payment Date. If the notes are not in book-entry form, the record date for each Interest Payment Date will be the close of business on the fifteenth calendar day before the applicable Interest Payment Date (whether or not a business day).

Limitation on Liens

While any of the notes are outstanding, neither we nor our Material Subsidiaries will issue, assume, incur or guarantee any indebtedness for borrowed money secured by a mortgage, pledge, lien or other encumbrance, directly or indirectly, upon any shares of the voting stock of a Material Subsidiary without providing that the notes will be secured equally and ratably with, or prior to, that secured indebtedness so long as the indebtedness remains outstanding. These restrictions, however, do not apply to liens upon shares of voting stock of any corporation that exist at the time that corporation becomes a Material Subsidiary and extensions, renewals or replacements of these pre-existing liens. The term Material Subsidiary means each of our subsidiaries whose total assets (as determined in accordance with GAAP) represent at least 20% of our total assets on a consolidated basis.

Events of Default

The following are events of default for the notes:

- (1) default in payment of the principal amount at maturity;
- (2) default in payment of interest, which default continues for 30 days;

Edgar Filing: MARKEL CORP - Form 424B5

- (3) our failure to comply with any of our other agreements in the notes or the Indenture upon our receipt of notice of such default from the trustee or from holders of not less than 25% in aggregate principal amount of the notes then outstanding, and our failure to cure (or obtain a waiver of) such default within 60 days after we receive such notice; or

- (4) (a) our failure to make any payment by the end of any applicable grace period after maturity of indebtedness, which term as used in the Indenture means our obligations (other than nonrecourse obligations) for borrowed money or evidenced by bonds, debentures, notes or similar instruments in an aggregate principal amount in excess of \$50,000,000 (Indebtedness) and continuance of such failure, or (b) the acceleration of Indebtedness because of a default with respect to such Indebtedness without such Indebtedness having been discharged or such acceleration having been cured, waived, rescinded or annulled, in each case, for a period of 10 days after written notice to us by the trustee or to us and the trustee by the holders of not less than 25% in aggregate principal amount of the notes then

S-10

Table of Contents

outstanding; however, if any such failure or acceleration referred to in (a) or (b) above ceases or is cured, waived, rescinded or annulled, then the event of default by reason thereof will be deemed not to have occurred; or

- (5) certain events of bankruptcy or insolvency affecting us.

If an event of default (other than as specified in clause (5) above) occurs and is continuing, the trustee, by notice to us, or the holders of at least 25% in aggregate principal amount of the notes then outstanding, by notice to the trustee and us, may declare the principal of, and accrued interest on, all of the outstanding notes due and payable immediately, upon which declaration all amounts payable in respect of the notes will be immediately due and payable. If an event of default specified in clause (5) above occurs and is continuing, then the principal of, and accrued interest on, all of the outstanding notes will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of notes.

After a declaration of acceleration under the Indenture, but before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in aggregate principal amount of the outstanding notes, by written notice to us and the trustee, may rescind such declaration if (a) we have paid or deposited with the trustee a sum sufficient to pay (i) all sums paid or advanced by the trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the trustee, its agents and counsel, (ii) all overdue interest on all notes, (iii) the principal of any notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the notes, and (iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the notes which has become due otherwise than by such declaration of acceleration; (b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and (c) all events of default, other than the nonpayment of principal of, and interest on, the notes that has become due solely by such declaration of acceleration, have been cured or waived.

The holders of not less than a majority in aggregate principal amount of the outstanding notes may on behalf of the holders of all the notes waive any past defaults under the Indenture, except a default in the payment of the principal of, or interest on, any notes, or in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each note outstanding.

No holder of any of the notes has any right to institute any proceeding with respect to the Indenture or any remedy thereunder, unless the holders of at least a majority in aggregate principal amount of the outstanding notes have made written request, and offered reasonable indemnity, to the trustee to institute such proceeding as trustee under the notes and the Indenture, the trustee has failed to institute such proceeding within 60 days after receipt of such notice and the trustee, within such 60-day period, has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding notes. Such limitations do not apply, however, to a suit instituted by a holder of a note for the enforcement of the payment of the principal of, or interest on, such note on or after the respective due dates expressed in such note.

Defeasance

Under the Indenture, we may exercise rights of defeasance (either as to all our obligations or as to certain covenants, which we call covenant defeasance) as described in the accompanying prospectus under Description of Debt Securities - Defeasance. In addition to the conditions described in the accompanying prospectus, we must, as a condition to exercising rights of defeasance or covenant defeasance with respect to the notes, deliver to the trustee an opinion of counsel to the effect that the holders of the then outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance or covenant defeasance had not occurred. In

Table of Contents

the case of a defeasance (but not a covenant defeasance), the opinion must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax laws.

Redemption

The notes are not redeemable, in whole or in part, at any time.

The Trustee

The trustee under the Indenture is JPMorgan Chase Bank, which currently administers its corporate trust business at 4 New York Plaza, New York, New York 10004 (Attn: Institutional Trust Services). In the ordinary course of business, we may borrow money from, and maintain other banking relationships with, the trustee and its affiliates. JPMorgan Chase Bank also serves as trustee under other indentures under which our securities are outstanding.

Book-Entry Procedures and Settlement

Upon issuance, the notes will be represented by one or more fully registered global certificates. Each global certificate will be deposited with DTC or its custodian and will be registered in the name of DTC or a nominee of DTC. DTC will thus be the only registered holder of these securities.

The following is based on information furnished to us by DTC:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants (Direct Participants) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by The New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). The rules applicable to DTC and its Direct and Indirect Participants are on file with the SEC.

Purchases of securities under the DTC system must be made by or through Direct Participants, who will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each security (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are

Edgar Filing: MARKEL CORP - Form 424B5

expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities, except in the event that use of the book-entry system for the securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of

S-12

Table of Contents

Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the securities. Under its usual procedures, DTC mails an omnibus proxy to the Company as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Company or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC, the Company or the Trustee subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Company or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to the Company. Under such circumstances, if a successor securities depository is not obtained, security certificates are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

We have no responsibility for the performance by DTC or its Participants of their respective obligations as described in this prospectus supplement or under the rules and procedures governing their respective operations.

WHERE YOU CAN FIND MORE INFORMATION

Edgar Filing: MARKEL CORP - Form 424B5

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934. You may read and copy any document that we file at the Public Reference Room of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. You may also inspect our annual, quarterly and special reports, any proxy statements and other information over the Internet at the SEC's home page at <http://www.sec.gov>. Our common shares are listed on the New York Stock Exchange under the symbol MKL. Our filings may also be read and copied at the New York Stock Exchange at 20 Broad Street, New York, NY 10005.

S-13

Table of Contents

This prospectus is part of a registration statement we have filed with the SEC relating to the notes. The SEC allows us to incorporate by reference the information filed with them, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus, and later information filed with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until all the offered securities are sold. The documents incorporated by reference are:

Annual Report on Form 10-K for the year ended December 31, 2003.

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2004 and June 30, 2004.

You may request a copy of these filings, which will be provided at no cost, by writing or telephoning us at: 4521 Highwoods Parkway, Glen Allen, Virginia 23060-6148, telephone number (804) 747-0136.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, and the related pricing agreement, each dated August 9, 2004, between Markel and Wachovia Capital Markets, LLC, the underwriter, we have agreed to sell and the underwriter has agreed to purchase from us \$200,000,000 aggregate principal amount of notes at a purchase price equal to the initial public offering price set forth on the front cover of this prospectus supplement, less a discount of \$13.27 per \$1,000 principal amount of notes.

The underwriter has agreed to purchase all of the notes sold pursuant to the underwriting agreement if any of the notes are purchased.

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriter may be required to make in respect of those liabilities.

The underwriter is offering the notes, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by its counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriter of officer's certificates and legal opinions. The underwriter reserves the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The underwriter has advised us that it proposes initially to offer the notes to the public at the public offering price on the cover page of this prospectus supplement, and to dealers at that price less a concession not in excess of .525% of the principal amount of the notes. The underwriter may allow, and the dealers may reallow, a discount not in excess of .25% of the principal amount of the notes to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The expenses of the offering, not including the underwriting discount, are estimated to be approximately \$150,000 and are payable by us.

New Issue of Notes

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for quotation of the notes on any automated dealer quotation system. We have been advised by the underwriter that it presently intends to make a market

S-14

Table of Contents

in the notes after completion of the offering. However, the underwriter is under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

Price Stabilization and Short Positions

In connection with the offering, the underwriter is permitted to engage in transactions that stabilize the market price of the notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the notes. If the underwriter creates a short position in the notes in connection with the offering, i.e., if it sells more notes than are on the cover page of this prospectus supplement, the underwriter may reduce that short position by purchasing notes in the open market. Purchases of a security to stabilize the price or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.

Neither we nor the underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor the underwriter makes any representation that the underwriter will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

The underwriter and its affiliates have engaged in, and may in the future engage in, banking, investment banking and other commercial dealings in the ordinary course of business with us. They have received customary fees and commissions for these transactions. We intend to use a portion of the net proceeds from the sale of the notes to repay outstanding indebtedness under our existing credit facility. An affiliate of the underwriter is a lender under that credit facility. See Use of Proceeds.

Since more than 10% of the net offering proceeds, not including underwriting compensation, may be received by entities who are affiliated with National Association of Securities Dealers, Inc. members who are participating in this offering, the offering will be conducted in compliance with the NASD Conduct Rule 2710(h). Under that rule, the appointment of a qualified independent underwriter is not necessary because the class of securities being offered under this prospectus has an investment-grade rating.

Settlement

It is expected that the delivery of the notes will be made against payment therefor on or about August 13, 2004, which will be the fourth business day following the date of pricing of the notes. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing will be required, by virtue of the fact that the notes initially will settle in T+4, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of notes who wish to trade notes on the date of pricing should consult their own advisor.

VALIDITY OF NOTES

Certain legal matters in connection with the notes will be passed upon for us by McGuireWoods LLP, Richmond, Virginia. Leslie A. Grandis, a partner in McGuireWoods LLP, is Secretary and a member of the

S-15

Table of Contents

Board of Directors of Markel. As of June 30, 2004, partners of McGuireWoods LLP owned less than 1% of our common shares outstanding on that date. The underwriter for the offering was represented by Shearman & Sterling LLP, New York, New York.

EXPERTS

The consolidated financial statements of Markel Corporation and subsidiaries as of December 31, 2003 and 2002 and for each of the years in the three-year period ended December 31, 2003 have been incorporated in this prospectus supplement by reference to our Annual Report on Form 10-K for the year ended December 31, 2003 in reliance upon the report of KPMG LLP, independent registered public accountants, incorporated by reference herein, and upon the authority of that firm as experts in accounting and auditing. The audit report covering the December 31, 2003 financial statements refers to a change in the accounting for goodwill.

S-16

Table of Contents

PROSPECTUS

\$650,000,000

Markel Corporation

**Common Shares, Preferred Shares, Warrants, Debt Securities,
Trust Preferred Securities and Related Guarantee and
Agreement as to Expenses and Liabilities,
Share Purchase Contracts and Share Purchase Units**

From time to time, we and Markel Capital Trust II may offer and sell:

common shares,

preferred shares,

warrants,

debt securities,

trust preferred securities and related guarantee and agreement as to expenses and liabilities,

share purchase contracts and

share purchase units.

We will provide specific terms of these securities in supplements to this prospectus. The terms of the securities will include the initial offering price, aggregate amount of the offering, listing on any securities exchange or quotation system, investment considerations and the agents, dealers or underwriters, if any, to be used in connection with the sale of these securities. You should read this prospectus and any supplement carefully

before you invest.

In addition, up to 235,000 of our common shares may be offered by selling security holders.

Our common shares are traded on the New York Stock Exchange under the symbol MKL.

Investing in our securities involves risks. See Risk Factors beginning on page 6.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 31, 2001.

Table of Contents

MARKEL CORPORATION

General

We market and underwrite specialty insurance products and programs to a variety of niche markets. In each of these markets, we seek to provide quality products and excellent customer service so that we can be a market leader. Our financial goals are to earn consistent underwriting profits and superior investment returns to build shareholder value.

Markel North America includes the excess and surplus lines segment which is comprised of four underwriting units and the specialty admitted segment which consists of two underwriting units. The excess and surplus lines segment writes property and casualty insurance for nonstandard and hard-to-place risks. The 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. These underwriting units write specialty program insurance for well-defined niche markets and personal and commercial property and liability coverages.

Markel International includes two segments: the London Company Market and the Lloyd's Market. The London Company Market consists of the operations of Terra Nova Insurance Company Limited. The Lloyd's Market includes Markel Capital Limited, which is the corporate capital provider for Lloyd's syndicates managed by Markel Syndicate Management Limited. Markel International's operating units write specialty property, casualty, marine and aviation insurance and reinsurance on a worldwide basis. The majority of Markel International's business comes from the United Kingdom and the United States.

We are a Virginia corporation headquartered at 4521 Highwoods Parkway, Glen Allen, Virginia 23060-6148, telephone number (804) 747-0136.

THE CAPITAL TRUST

Markel Capital Trust II is a statutory business trust newly formed under Delaware law by us, as sponsor for the Capital Trust, and The Chase Manhattan Bank USA, National Association, as trustee. The trust agreement for the Capital Trust will be amended and restated substantially in the form filed as an exhibit to the registration statement, effective when securities of the Capital Trust are initially issued. The amended trust agreement will be qualified as an indenture under the Trust Indenture Act of 1939.

The Capital Trust exists for the exclusive purposes of

issuing two classes of trust securities, trust preferred securities and trust common securities, which together represent undivided beneficial interests in the assets of the Capital Trust;

investing the gross proceeds of the trust securities in our junior subordinated debt securities;

making distributions; and

Edgar Filing: MARKEL CORP - Form 424B5

engaging in only those other activities necessary, advisable or incidental to the purposes listed above.

The junior subordinated debt securities will be the sole assets of the Capital Trust, and our payments under the junior subordinated debt securities and the agreement as to expenses and liabilities will be the sole revenue of the Capital Trust.

No separate financial statements of the Capital Trust are included in this prospectus. We consider that these financial statements would not be material to holders of the trust preferred securities because the Capital Trust has no independent operations and the purposes of the Capital Trust are as described above. We do not expect that the Capital Trust will be filing annual, quarterly or special reports with the SEC.

The principal place of business of the Capital Trust will be c/o Markel Corporation, 4521 Highwoods Parkway, Glen Allen, Virginia 23060.

Table of Contents**Unaudited Pro Forma Condensed Financial Information**

The following unaudited pro forma condensed financial information is based on the historical consolidated statements of operations of Markel for the year ended December 31, 2000 adjusted to give effect to the March 24, 2000 acquisition of Terra Nova Bermuda Holdings Ltd. assuming the acquisition had occurred on January 1, 2000. The pro forma adjustments are based upon available information and assumptions that management believes are reasonable.

We accounted for the acquisition of Terra Nova using the purchase method of accounting. We allocated the purchase price for the acquisition to tangible and identifiable intangible assets and liabilities based upon management estimates of their fair value with the excess of purchase price over fair value of net assets acquired allocated to goodwill and amortized over 20 years. For purposes of presenting pro forma results, we made no changes in revenues and expenses to reflect the results of any modification to operations that might have been made had the acquisition been consummated on the assumed effective date of the acquisition.

The unaudited pro forma condensed financial information does not purport to represent what Markel's results of operations would actually have been had the acquisition in fact occurred on January 1, 2000 or to project Markel's results of operations for or at any future period or date.

MARKEL CORPORATION**Pro Forma Condensed Consolidated Statement of Operations****Year Ended December 31, 2000**

	Markel	Terra Nova	Pro Forma Adjustments	Markel and Terra Nova Pro Forma
	(historical)	(historical)*		Pro Forma
	(in thousands, except per share data)			
	(Unaudited)			
OPERATING REVENUES				
Earned premiums	\$ 938,543	\$ 142,833	\$	\$ 1,081,376
Net investment income	154,186	20,177	(1,474)A	172,889
Net realized gains (losses) from investment sales	1,478	(3,212)		(1,734)
Other	276	1,765		2,041
Total operating revenues	1,094,483	161,563	(1,474)	1,254,572
OPERATING EXPENSES				
Losses and loss adjustment expenses	731,531	148,119		879,650
Underwriting, acquisition and insurance expenses	339,089	54,078		393,167
Amortization of intangible assets	23,321	672	4,937B	28,930

Edgar Filing: MARKEL CORP - Form 424B5

Total operating expenses	1,093,941	202,869	4,937	1,301,747
Operating income (loss)	542	(41,306)	(6,411)	(47,175)
Interest expense	52,348	2,862	3,164C	58,374
Loss before income taxes	(51,806)	(44,168)	(9,575)	(105,549)
Income taxes	(24,214)	(21,822)	4,573D	(41,463)
Loss from continuing operations	\$ (27,592)	\$ (22,346)	\$ (14,148)	\$ (64,086)
Loss from continuing operations per share:				
Basic	\$ (3.99)			\$ (8.78)
Diluted	\$ (3.99)			\$ (8.78)
Weighted average shares:				
Basic	6,920			7,302
Diluted	6,920			7,302

* Represents the period from January 1, 2000 through March 23, 2000. Terra Nova was acquired by Markel Corporation on March 24, 2000 and is included in Markel's results of operations since that date.

See accompanying Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations.

Table of Contents

NOTES TO UNAUDITED PRO FORMA
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

1. Basis of presentation

On March 24, 2000, Markel acquired Terra Nova. The Unaudited Pro Forma Condensed Statement of Operations and related Notes were prepared based on consideration to each Terra Nova shareholder of \$13.00 in cash, .07027 of a Markel common share and .07027 of a Markel contingent value right (CVR). Consideration exchanged consisted of the following (in thousands, except per share data):

Cash	\$ 356,500
Markel common shares and Markel contingent value rights issued to Terra Nova shareholders (1,769 shares at \$148.00 per share and 1,769 contingent value rights at \$19.00 per right)	295,482
	<hr/>
Total purchase consideration	651,982
Direct costs of acquisition	6,423
	<hr/>
Total cost of acquisition	658,405
Less: Fair value of Terra Nova net tangible and identifiable intangible assets as of purchase date	356,097
	<hr/>
Excess of cost over fair value of net assets acquired	\$ 302,308
	<hr/>
The acquisition was funded as follows (in thousands):	
Available cash	\$ 117,923
Borrowings under \$400 million credit facility	245,000
Markel common shares and CVRs issued to Terra Nova shareholders	295,482
	<hr/>
Total cost of acquisition	\$ 658,405
	<hr/>

The accompanying Unaudited Pro Forma Condensed Consolidated Statement of Operations is provided to illustrate the effect of the acquisition on Markel and has been prepared using the purchase method of accounting. The unaudited pro forma financial statement reflects how the statement of operations for the year ended December 31, 2000 might have appeared had the acquisition of Terra Nova been consummated on January 1, 2000. Reclassifications of Terra Nova's historical financial statements have been made to conform with Markel's historical presentation.

2. Adjustments

The accompanying Unaudited Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 2000 reflects adjustments which are explained below and are based on assumptions made by management. These adjustments are required to give effect to matters directly attributable to the acquisition. The explanations of these adjustments are as follows:

Edgar Filing: MARKEL CORP - Form 424B5

(A) Reduction in net investment income due to net cash used in funding the transaction; the rate of return is calculated at 5%. The 5% rate of return is based on historical average yields for Markel's investment portfolio.

(B) Excess of cost over fair value of net assets acquired is amortized on a straight line basis over 20 years. The estimated life of the business acquired was determined based on the value of the Lloyd's franchise, the investment portfolio's earning power and profitable books of business acquired, as well as the capital requirements and other barriers to entering the business acquired. Effective January 1, 2002, the amortization of goodwill and intangibles with indefinite lives will cease in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards (Statement) No. 142, Goodwill and Other Intangible Assets. Because of the extensive effort needed to comply with adopting Statement 142, it is not practicable to reasonably estimate the amount of amortization included in this Unaudited Pro Forma Statement of Operations that will not continue in future periods.

Table of Contents

(C) Interest on borrowed funds under revolving lines of credit is assumed to be 4.50% which is calculated as LIBOR plus 1.25% as specified in the credit facility. For the year ended December 31, 2000, a change of 1/8 percent in the interest rate would result in a change in interest expense and loss from continuing operations of \$0.3 million and \$0.2 million before and after taxes, respectively. In addition, a fair value adjustment for Terra Nova's long term debt, based on an independent third party quote, is amortized over the remaining lives of those debt instruments.

(D) Taxes on the reduction in net investment income and increased interest expense pro forma adjustments are calculated at an assumed 35% statutory rate. In addition, as a result of the merger, Terra Nova's operations will be subject to taxation in the United States. Taxes have been recorded for Terra Nova in accordance with United States tax regulations assuming the transaction had occurred on January 1, 2000.

Table of Contents

RISK FACTORS

In addition to the matters addressed in the section entitled "Note On Forward-Looking Statements" and other information included or incorporated in this document, interested investors should consider the following risk factors in determining whether to purchase securities described in this prospectus.

Our Results may be Affected Because Actual Insured Losses Differ From Our Loss Reserves

Significant periods of time often elapse between the occurrence of an insured loss, the reporting of the loss to us and our payment of that loss. To recognize liabilities for unpaid losses, we establish reserves as balance sheet liabilities representing estimates of amounts needed to pay reported and unreported losses and the related loss adjustment expense. The process of estimating loss reserves is a difficult and complex exercise involving many variables and subjective judgments. As part of the reserving process, we review historical data and consider the impact of various factors such as:

trends in claim frequency and severity,

changes in operations,

emerging economic and social trends,

inflation and

changes in the regulatory and litigation environments.

This process assumes that past experience, adjusted for the effects of current developments and anticipated trends, is an appropriate basis for predicting future events. There is no precise method, however, for evaluating the impact of any specific factor on the adequacy of reserves, and actual results are likely to differ from original estimates.

We may Experience Losses From Catastrophes

Because we are a property and casualty insurance company, we frequently experience losses from man-made or natural catastrophes. Catastrophes may have a material adverse effect on operations. Catastrophes include windstorms, hurricanes, earthquakes, tornadoes, hail, severe winter weather, fires and may include terrorist events such as the attacks on the World Trade Center and Pentagon on September 11, 2001. We cannot predict how severe a particular catastrophe may be until after it occurs. The extent of losses from catastrophes is a function of the total amount of losses incurred, the number of insureds affected, the frequency of the events and the severity of the particular catastrophe. Most catastrophes occur in small geographic areas. However, some catastrophes may produce significant damage in large, heavily populated areas.

We are Subject to Regulation by Insurance Regulatory Authorities which may Affect Our Ability to Implement Our Business Objectives

Our insurance subsidiaries are subject to supervision and regulation by the insurance regulatory authorities in the various jurisdictions in which they conduct business. Regulation is intended for the benefit of policyholders rather than shareholders or holders of debt securities. Insurance regulatory authorities have broad regulatory, supervisory and administrative powers relating to solvency standards, licensing, policy rates and forms and the form and content of financial reports. Regulatory actions may affect our ability to implement our business objectives. Also, payment of dividends by our insurance subsidiaries may require prior regulatory notice or approval.

Table of Contents

Our Investment Results may be Impacted by Changes in Interest Rates, Government Monetary Policies and General Economic Conditions

We receive premiums from customers for insuring their risks. We invest these funds until they are needed to pay policyholder claims or until they are recognized as profits. Many of the policies we issue are denominated in foreign currencies. Fluctuations in the value of our investment portfolio can occur as a result of changes in interest rates, government monetary policies and general economic conditions. Our investment results may be impacted by these factors.

Because the risk profile of the business written and the reinsurance program of recent acquisitions is different from ours, we may incur additional charges.

The risk profile of the business written and reinsurance programs of our recent acquisitions was not wholly consistent with those of our other operations. For example, Terra Nova historically wrote policies with large limits and purchased reinsurance to reduce the net retention to a smaller sum. Such reliance on reinsurance may create credit risk as a result of the reinsurer's inability or unwillingness to pay reinsurance claims when due. We have begun to implement policies to reduce this reliance on reinsurance in the future, but must still account for and collect reinsurance for business written prior to our acquisition. Deterioration in the credit quality of existing reinsurers or disputes over the terms of reinsurance could result in additional charges, which may impact our profitability.

Because loss reserves are estimates based upon historical experience and statistical data, there can be no assurances that the loss reserves for recent acquisitions are adequate and that there will not be any future impact on our financial performance.

It has long been our policy to establish loss reserves at a level that we believe is more likely to prove redundant rather than deficient. Many other companies in the insurance industry establish loss reserves that are adequate, often defined as the mid-point of an actuarially determined range, i.e., as likely to be too little as too much. When we acquire a company, we seek to apply our policy over time to the reserving practices of the acquired company. However, because loss reserve estimates are based on historical experience and statistical analyses, we often do not have sufficient information for a period of time following the date of an acquisition to implement this policy immediately. As we continue to gather information and obtain additional experience, we can better implement our approach and, depending on the relevant experience, this may result in additional charges to strengthen reserves.

Note On Forward-Looking Statements

This prospectus contains or incorporates by reference forward-looking statements. Forward-looking statements may be identified by the use of terms such as believes, expects, estimate, may, intends, plan, will, should or anticipates or the negative thereof or similar expressions in discussions of strategy. We have based our forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties, and assumptions about us, including:

uncertainties and changes in government policy, regulatory policy, statutory law or case law with respect to our companies, brokers or customers which can impede our ability to charge adequate rates and efficiently allocate capital;

Edgar Filing: MARKEL CORP - Form 424B5

the amount and nature of competition in the insurance industry and the amount of capital within the industry and alternative risk transfer markets;

the occurrence of man-made or natural catastrophic events;

changing legal and social trends and the inherent uncertainties of the reserving process;

loss of the services of any of our executive officers;

Table of Contents

initiatives underway at Markel International to reorganize business units and to evaluate reinsurance programs and exposures which could lead to additional changes and expense;

the impact of US tax laws on our foreign subsidiaries;

changing rates of inflation and other economic conditions;

losses due to foreign currency exchange rate fluctuations;

ability to collect reinsurance recoverables;

changes in the availability, cost or quality of reinsurance;

developments in domestic and international financial markets that could affect our investment portfolios;

changes in the distribution or placement of risks due to increased consolidation of insurance and reinsurance brokers; and

the effects of mergers, acquisitions and divestitures.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus or in any supplement to this prospectus might not occur. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as at their dates.

RATIO OF EARNINGS TO FIXED CHARGES

The results below include Terra Nova since its acquisition by us on March 24, 2000.

The following table sets forth the ratio of earnings to fixed charges for each of the last five fiscal years and for the six month period ended June 30, 2001.

	Six Months Ended	Year Ended December 31,				
	June 30, 2001	2000	1999	1998	1997	1996
Ratio of Earnings to Fixed Charges	1.5	0.1	3.0	4.4	4.1	5.2

Edgar Filing: MARKEL CORP - Form 424B5

Deficiency in the coverage of fixed charges by earnings before fixed charges (000 s)	\$ 51,806
---	-----------

The ratio of earnings to fixed charges is computed by dividing pretax income from continuing operations before fixed charges by fixed charges. Fixed charges consist of interest charges and amortization of debt expense and discount or premium related to indebtedness, whether expensed or capitalized, and that portion of rental expense we believe to be representative of interest.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we will use the net proceeds from the sale of securities by us or the Capital Trust to increase the capital of our insurance operations, to repay or refinance our indebtedness, to fund working capital, and for other general corporate purposes, including acquisitions. We will not receive any proceeds from the sale of common shares that may be offered by selling security holders.

Table of Contents

DESCRIPTION OF CAPITAL STOCK

Our authorized capital consists of 50,000,000 common shares, no par value, and 10,000,000 preferred shares, no par value. At September 30, 2001, 8,618,578 common shares were outstanding. At that date, no preferred shares were outstanding.

Preferred Shares

Our preferred shares are issuable in one or more series from time to time at the direction of the board of directors. The board of directors is authorized, with respect to each series, to fix its:

designation,

relative rights, including voting, dividend, conversion, sinking fund and redemption rights,

preferences, including with respect to dividends and on liquidation, and

limitations.

The board of directors, without shareholder approval, can issue preferred shares with voting and conversion rights that could adversely affect the voting power of the holders of common shares. This right of issuance could be used as a method of preventing a party from gaining control of us.

Common Shares

Each holder of our common shares is entitled to one vote for each share held of record on each matter submitted to a vote of shareholders. Cumulative voting in the election of directors is not permitted. As a result, the holders of more than 50% of the outstanding shares have the power to elect all directors. The quorum required at a shareholders' meeting for consideration of any matter is a majority of the shares entitled to vote on that matter, represented in person or by proxy. If a quorum is present, the affirmative vote of a majority of the shares voting on the matter at the meeting is required for shareholder approval. However, approval is required by the affirmative vote of more than two-thirds of all shares entitled to vote, whether or not represented at the meeting, in the case of major corporate actions, such as:

a merger,

a share exchange,

Edgar Filing: MARKEL CORP - Form 424B5

the dissolution of Markel,

an amendment to our articles of incorporation, or

the sale of all or substantially all of our assets.

These provisions, together with our ability to issue preferred shares with disproportionately high voting power could be used to, or have the effect of, preventing or deterring a party from gaining control of Markel, whether or not beneficial to public shareholders, and could discourage tactics that involve an actual or threatened change of control of Markel.

Subject to the rights of any holders of our preferred shares, the holders of common shares are entitled to receive dividends when, as, and if declared by the board of directors out of funds legally available for that purpose and, in the event of liquidation, dissolution or winding up of Markel, to share ratably in all assets remaining after the payment of liabilities. There are no preemptive or other subscription rights, conversion rights, or redemption or sinking fund provisions with respect to common shares. All common shares outstanding upon the consummation of any offering will be legally issued, fully paid and nonassessable.

Our transfer agent and registrar for common shares is First Union National Bank.

Table of Contents

Voting Rights with Respect to Extraordinary Corporate Transactions

Under Virginia law, a corporation may sell, lease, exchange or otherwise dispose of all, or substantially all, of its property, other than in the usual and regular course of business, if the proposed transaction is approved by more than two-thirds of all of the votes entitled to be cast on that matter. A merger or share exchange plan must be approved by each voting group entitled to vote separately on the plan by more than two-thirds of all the votes entitled to be cast on the plan by that voting group. The articles of incorporation may provide for a greater or lesser vote, but not less than a majority of all the votes cast on the transaction by each voting group entitled to vote on the transaction. Our articles of incorporation do not provide for a greater or lesser vote.

Anti-takeover Statutes

Virginia law, except as to companies that elect not to be covered, prohibits the following business combinations between a Virginia corporation and any interested shareholder:

mergers and statutory share exchanges;

material dispositions of corporate assets not in the ordinary course of business;

any dissolution of the corporation proposed by or on behalf of an interested shareholder; or

any reclassification, including a reverse stock split, recapitalization or merger of the corporation with its subsidiaries that increases the percentage of voting shares beneficially owned by an interested shareholder by more than 5%.

An interested shareholder is, among others, a person who is, or an affiliate who was within three years of the transaction, a beneficial owner of more than 10% of any class of the outstanding voting shares of the applicable corporation. In these cases, unless the affiliated transaction satisfies fair price criteria or comes within an applicable exemption, the affiliated transaction must be approved by the affirmative vote of a majority of the disinterested directors and by the affirmative vote of the holders of two-thirds of the voting shares other than shares beneficially owned by the interested shareholder. We have not made any election in our articles not to be covered by this provision of the Virginia law.

Under Virginia law, voting rights for control shares must be approved by a corporation's shareholders, not including the shares held by interested parties. Control shares are shares whose acquisition entitles the acquiror to between 1/5 and 1/3, between 1/3 and 1/2, or greater than 1/2 of a corporation's voting power. If a shareholder has acquired control shares with a majority of all voting power and these shares have been given voting rights, all other shareholders have dissenters' rights. Virginia law exempts from these provisions acquisitions where the corporation is a party to the governing agreement. We have not made any election not to be governed by these provisions of Virginia law. Our board of directors can elect not to be governed by these provisions at any time before four days after receipt of a control share acquisition notice.

Insurance Holding Company Regulations on Change of Control

Edgar Filing: MARKEL CORP - Form 424B5

We are regulated as an insurance holding company and are subject to state and foreign laws that restrict the ability of any person to obtain control of an insurance holding company without prior regulatory approval. Without this approval or an exemption, no person may acquire any voting security of an insurance holding company which controls an insurance subsidiary, or merge with the holding company. Control is generally defined as the direct or indirect power to direct or cause the direction of the management and policies of a person and is usually presumed to exist if a person directly or indirectly owns or controls 10% or more of the voting securities of another person.

Table of Contents

DESCRIPTION OF WARRANTS

We may issue warrants for the purchase of debt securities, preferred shares or common shares. Warrants may be issued independently or together with debt securities, preferred shares or common shares offered by any prospectus supplement and may be attached to or separate from any of the offered securities. Each warrant will entitle the holder to purchase the principal amount of debt securities or number of preferred shares or common shares, as the case may be, at the exercise price and in the manner specified in the prospectus supplement relating to those warrants. Warrants will be issued under one or more warrant agreements to be entered into between us and a bank or trust company, as warrant agent. The warrant agent will act solely as our agent in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. If we offer warrants, we will file the warrant agreement relating to the offered warrants as an exhibit to, or incorporate it by reference in the registration statement of which this prospectus is a part.

The prospectus supplement relating to a particular issue of warrants will describe the terms of the warrants, including the following:

the title of the warrants;

the offering price for the warrants, if any;

the aggregate number of the warrants;

the designation and terms of the securities purchasable upon exercise of the warrants;

if applicable, the designation and terms of the securities with which the warrants are issued and the number of such warrants issued with each security;

if applicable, the date from and after which the warrants and any securities issued with the warrants will be separately transferable;

the principal amount of debt securities purchasable upon exercise of a warrant, if a debt warrant, and the price at which the principal amount of securities may be purchased upon exercise, which price may be payable in cash, securities, or other property;

the date on which the right to exercise the warrants commences and the date on which the right expires;

if applicable, the number of common shares or preferred shares purchasable upon exercise of a warrant and the price at which the shares may be purchased upon exercise;

if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

Edgar Filing: MARKEL CORP - Form 424B5

if applicable, a discussion of material United States federal income tax considerations;

whether the debt warrants represented by the warrant certificates or debt securities that may be issued upon exercise of the warrants will be issued in registered or bearer form;

information with respect to book-entry procedures, if any;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

the antidilution provisions of the warrants, if any;

the redemption or call provisions, if any, applicable to the warrants; and

any additional terms of the warrants, including terms, procedures, and limitations relating to the exchange and exercise of the warrants.

Table of Contents

DESCRIPTION OF DEBT SECURITIES

This section describes the general terms and provisions of the debt securities which may be offered by us from time to time. The prospectus supplement will describe the specific terms of the debt securities offered by that prospectus supplement.

We may issue debt securities either separately or together with, or upon the conversion of, or in exchange for, other securities. The debt securities are to be either senior obligations of ours issued in one or more series and referred to herein as the senior debt securities, subordinated obligations of ours issued in one or more series and referred to herein as the subordinated debt securities, or our junior subordinated obligations issued in one or more series and referred to herein as the junior subordinated debt securities. The senior debt securities, the subordinated debt securities and the junior subordinated debt securities are collectively referred to as the debt securities. We will issue our senior debt securities under a senior indenture, our subordinated debt securities under a subordinated indenture and our junior subordinated debt securities under a junior subordinated indenture. The senior indenture, the subordinated indenture and the junior subordinated indenture are sometimes referred to herein collectively as the indentures and each individually as an indenture. Each indenture will be entered into by us and an independent third party, known as a trustee, who will be legally obligated to carry out the terms of the indenture. The Chase Manhattan Bank is the trustee under our senior indenture, our subordinated debt indenture and junior subordinated debt indenture. The particular terms of the debt securities offered by any prospectus supplement, and the extent to which the general provisions described below may apply to the offered debt securities, will be described in the prospectus supplement.

We have summarized certain terms and provisions of the indentures. The summary is not complete. If we refer to particular provisions of the indentures, the provisions, including definitions of certain terms, are incorporated by reference as a part of this summary. The form of indentures are filed as an exhibit to the registration statement of which this prospectus is a part, and are incorporated by reference. The indentures are subject to and governed by the Trust Indenture Act of 1939. You should refer to the applicable indenture for the provisions that may be important to you.

The senior indenture and the subordinated indenture are substantially identical, except for certain covenants of ours and provisions relating to subordination. The subordinated indenture and the junior subordinated indenture are substantially identical, except for certain rights and covenants of ours and provisions relating to the issuance of securities to the Capital Trust.

General

The indentures will not limit the amount of debt securities that we may issue. We may issue debt securities up to an aggregate principal amount as we may authorize from time to time. Unless otherwise provided in a prospectus supplement, our senior debt securities will be unsecured obligations of ours and will rank equally with all of our other unsecured and unsubordinated indebtedness. The subordinated debt securities will be unsecured obligations of ours, subordinated in right of payment to the prior payment in full of all senior indebtedness, which term includes the senior debt securities, of ours as described below under Subordination of the Subordinated and Junior Subordinated Debt Securities and in the applicable prospectus supplement.

In the event our junior subordinated debt securities are issued to the Capital Trust in connection with the issuance of preferred securities and common securities by the Capital Trust, these junior subordinated debt securities subsequently may be distributed pro rata to the holders of the related preferred securities and common securities in connection with the dissolution of the Capital Trust upon the occurrence of specified events. These events will be described in the prospectus supplement relating to the applicable preferred securities and common securities. Only one series of our junior subordinated debt securities will be issued to the Capital Trust in connection with the issuance of preferred securities and

common securities by the Capital Trust.

Table of Contents

The applicable prospectus supplement will describe the terms of any debt securities being offered, including:

the designation, aggregate principal amount and authorized denominations;

the maturity date or method for determining the maturity date;

the interest rate, if any, and the method for calculating the interest rate;

the interest payment dates and the record dates for the interest payments;

any mandatory or optional redemption terms or prepayment, conversion, sinking fund or exchangeability or convertibility provisions;

the places where the principal and interest will be payable;

if other than denominations of \$1,000 or multiples of \$1,000, the denominations the debt securities will be issued in;

whether the debt securities will be issued in the form of global securities, as defined below, or certificates;

additional provisions, if any, relating to the defeasance and covenant defeasance of the debt securities;

whether the debt securities will be issuable in registered form, referred to as the registered securities, or bearer form, referred to as the bearer securities or both and, if bearer securities are issuable, any restrictions applicable to the exchange of one form for another and the offer, sale and delivery of bearer securities;

whether the debt securities will be senior debt securities, subordinated debt securities or junior subordinated debt securities and, if subordinated debt securities or junior subordinated debt securities, the subordination provisions and the applicable definition of senior indebtedness;

any applicable material federal tax consequences;

the dates on which premium, if any, will be payable;

our right, if any, to defer payment of interest and the maximum length of such deferral period;

any listing on a securities exchange;

Edgar Filing: MARKEL CORP - Form 424B5

if convertible into our common shares or preferred shares, the terms on which such debt securities are convertible;

the terms, if any, of any guarantee of the payment of principal of, and premium, if any, and interest on debt securities of the series and any corresponding changes to the provisions of the indenture as currently in effect;

the terms, if any, of the transfer, mortgage, pledge, or assignment as security for the debt securities of the series of any properties, assets, money, proceeds, securities or other collateral, including whether certain provisions of the Trust Indenture Act are applicable, and any corresponding changes to provisions of the indenture as currently in effect;

the initial public offering price; and

other specific terms, including covenants and any additions or changes to the events of default provided for with respect to the debt securities.

If the purchase price of any debt securities is payable in a currency other than U.S. dollars or if principal of, or premium, if any, or interest, if any, on any of the debt securities is payable in any currency other than U.S. dollars, the specific terms and other information with respect to the debt securities and the foreign currency will be specified in the applicable prospectus supplement.

Table of Contents

Debt securities may be issued as original issue discount securities, as defined in the indentures, to be sold at a substantial discount below their principal amount. Original issue discount securities may include zero coupon securities that do not pay any cash interest for the entire term of the securities. In the event of an acceleration of the maturity of any original issue discount security, the amount payable to the holder thereof upon an acceleration will be determined in the manner described in the applicable prospectus supplement. Conditions pursuant to which payment of the principal of the subordinated debt securities may be accelerated will be set forth in the applicable prospectus supplement. Material federal income tax and other considerations applicable to original issue discount securities will be described in the applicable prospectus supplement.

Under the indentures, the terms of the debt securities of any series may differ and we, without the consent of the holders of the debt securities of any series, may reopen a previous series of debt securities and issue additional debt securities of that series or establish additional terms of that series, unless otherwise indicated in the applicable prospectus supplement.

Covenants

Under the indentures, we will be required to:

pay the principal, interest and any premium on the debt securities when due;

maintain a place of payment;

deliver an officer's certificate to the applicable trustee within 120 days after the end of each fiscal year confirming our compliance with our obligations under the applicable indenture; and

deposit sufficient funds with any paying agent on or before the due date for any principal, interest or any premium.

Any additional covenants will be described in the applicable prospectus supplement.

Registration, Transfer, Payment and Paying Agent

Unless otherwise indicated in a prospectus supplement, each series of debt securities will be issued in registered form only, without coupons. We may also issue debt securities in bearer form only, or in both registered and bearer form. Bearer securities will not be offered, sold, resold or delivered in connection with their original issuance in the United States or to any United States person other than to the offices located outside the United States of some United States financial institutions. Purchasers of bearer securities will be subject to certification procedures and may be affected by limitations under United States tax laws. These procedures and limitations will be described in the prospectus supplement relating to the offering of the bearer securities.

Unless otherwise indicated in a prospectus supplement, registered securities will be issued in denominations of \$1,000 or any integral multiple thereof, and bearer securities will be issued in denominations of \$5,000.

Unless otherwise indicated in a prospectus supplement, the principal, premium, if any, and interest, if any, of or on the debt securities will be payable, and debt securities may be surrendered for registration of transfer or exchange, at an office or agency of the trustee in the Borough of Manhattan, The City of New York, provided that payments of interest with respect to any registered security may be made at our option by check mailed to the address of the person entitled to payment or by transfer to an account maintained by the payee with a bank located in the United States. No service charge will be made for any registration of transfer or exchange of debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge and any other expenses that may be imposed in connection with the exchange or transfer.

Table of Contents

Unless otherwise indicated in a prospectus supplement, payment of principal of, premium, if any, and interest, if any, on bearer securities will be made, subject to any applicable laws and regulations, at the office or agency outside the United States as specified in the prospectus supplement and as we may designate from time to time. Unless otherwise indicated in a prospectus supplement, payment of interest due on bearer securities on any interest payment date will be made only against surrender of the coupon relating to the interest payment date. Unless otherwise indicated in a prospectus supplement, no payment of principal, premium or interest with respect to any bearer security will be made at any office or agency in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States; except that if amounts owing with respect to any bearer securities will be payable in U.S. dollars, payment may be made at the corporate trust office of the applicable trustee or at any office or agency designated by us in the Borough of Manhattan, The City of New York, but only if, payment of the full amount of the principal, premium or interest at all offices outside of the United States maintained for this purpose by us is illegal or effectively precluded by exchange controls or similar restrictions.

Unless otherwise indicated in the applicable prospectus supplement, we will not be required to:

issue, register the transfer of or exchange debt securities of any series during a period beginning at the opening of business 15 days before any selection of debt securities of that series of like tenor to be redeemed and ending at the close of business on the day of that selection;

register the transfer of or exchange any registered security, or portion thereof, called for redemption, except the unredeemed portion of any registered security being redeemed in part;

exchange any bearer security called for redemption, except to exchange the bearer security for a registered security of that series and like tenor that is simultaneously surrendered for redemption; or

issue, register the transfer of or exchange any debt security which has been surrendered for repayment at the option of the holder, except the portion, if any, of the debt security not to be so repaid.

Ranking of Debt Securities; Holding Company Structure

The senior debt securities will be unsubordinated obligations of ours and will rank equally in right of payment with all other unsubordinated indebtedness of ours. The subordinated and junior subordinated debt securities will be obligations of ours and will be subordinated in right of payment to all existing and future senior indebtedness, as specified in the applicable prospectus supplement. The prospectus supplement will describe the subordination provisions and set forth the definition of senior indebtedness applicable to the subordinated and junior subordinated debt securities, and the approximate amount of the senior indebtedness outstanding as of a recent date.

Because we are a holding company that conducts all of our operations through our subsidiaries, our ability to meet our obligations under the debt securities is dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to us. Payment of dividends or advances from our insurance subsidiaries may require prior regulatory notice or approval. Holders of debt securities will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debt holders, secured creditors, taxing authorities, guarantee holders and any preferred shareholders.

Table of Contents

Global Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depositary identified in the prospectus supplement relating to that series. Global debt securities may be issued in either registered or bearer form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for individual certificates evidencing debt securities, a global debt security may not be transferred except as a whole

- .. by the depositary to a nominee of the depositary;

- .. by a nominee of the depositary to the depositary or another nominee of the depositary; or

- .. by the depositary or the nominee to a successor of the depositary or a nominee of the successor.

The specific terms of the depositary arrangement with respect to a series of global debt securities and material limitations and restrictions relating to a series of global bearer securities will be described in the applicable prospectus supplement.

Redemption and Repurchase

The debt securities may be redeemable at our option, in whole or in part, or may be subject to mandatory redemption pursuant to a sinking fund or otherwise, in each case upon the terms, at the times and at the redemption price together with interest as set forth in the applicable prospectus supplement on notice given at least 20 days prior to the date of redemption. Senior and subordinated debt securities may be subject to repurchase by us at the option of the holders upon the terms, at the times and at the price together with interest set forth in the applicable prospectus supplement.

We must repay the senior and subordinated debt securities at the option of the holders prior to the stated maturity date only if specified in the applicable prospectus supplement. Unless otherwise provided in the prospectus supplement, the senior and subordinated debt securities subject to repayment at the option of the holder will be subject to repayment:

on the specified repayment dates; and

at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued to the repayment date.

For any senior or subordinated debt security to be repaid, the trustee must receive, at its office maintained for that purpose in the Borough of Manhattan, New York City not more than 60 nor less than 30 calendar days prior to the date of repayment:

Edgar Filing: MARKEL CORP - Form 424B5

in the case of a certificated senior or subordinated debt security, the certificated senior or subordinated debt security and the form in the senior or subordinated debt security entitled "Option of Holder to Elect Repayment" duly completed; or

in the case of a book-entry senior or subordinated debt security, instructions to that effect from the beneficial owner to the securities depository and forwarded by the securities depository. Exercise of the repayment option by the holder will be irrevocable.

Only the securities depository may exercise the repayment option in respect of beneficial interests in the book-entry senior or subordinated debt securities. Accordingly, beneficial owners that desire repayment in respect of all or any portion of their beneficial interests must instruct the participants through which they own their interests to direct the securities depository to exercise the repayment option on their behalf. All instructions given to participants from beneficial owners relating to the option to elect repayment will be irrevocable. In addition, at the time the instructions are given, each beneficial owner will cause the participant through which it

Table of Contents

owns its interest to transfer its interest in the book-entry senior or subordinated debt securities or the global certificate representing the related book-entry senior or subordinated debt securities, on the securities depository's records, to the trustee.

Conversion and Exchange

The applicable prospectus supplement will set forth the terms, if any, on which debt securities of any series are convertible into or exchangeable for our common shares, preferred shares, or other debt securities. The terms may include provisions for conversion or exchange, either mandatory, at the option of the holders or at our option.

Absence of Limitation on Indebtedness and Liens; Absence of Event Risk Protection

The applicable prospectus supplement will specify any prohibitions on the amount of indebtedness, guarantees or other liabilities that may be incurred by us and any prohibitions on our ability to create or assume liens on our property. Unless otherwise provided in a prospectus supplement, the indentures will not require the maintenance of any financial ratios, or specified levels of our net worth, revenues, income, cash flow or liquidity, and will not contain provisions which would give holders of the debt securities the right to require us to repurchase their debt securities in the event of a takeover, recapitalization or similar restructuring or change in control of Markel.

Consolidation, Merger and Sale of Assets

Each indenture generally permits a consolidation or merger, subject to specified limitations and conditions, between us and another corporation. They also permit the sale by us of all or substantially all of our property and assets. If this happens, the remaining or acquiring corporation must assume all of our responsibilities and liabilities under the indentures including the payment of all amounts due on the debt securities and performance of the covenants in the indentures. Unless otherwise indicated in the applicable prospectus supplement, we must also deliver an opinion of counsel to the applicable trustee affirming our compliance with all conditions in the applicable indenture relating to the transaction. When the conditions are satisfied, the successor will succeed to and be substituted for us under the applicable indenture, and we will be relieved of our obligations under the applicable indenture and the debt securities issued under it.

Events of Default

Unless otherwise specified in the applicable prospectus supplement, an event of default with respect to any debt securities will include:

default for a period of 60 days in payment of any interest with respect to any debt security of that series;

default in payment of principal or any premium with respect to any debt security of that series when due upon maturity, redemption, repurchase at the option of the holder or otherwise;

Edgar Filing: MARKEL CORP - Form 424B5

default in deposit of any sinking fund payment when due with respect to any debt security of that series for a period of 60 days;

default by us in the performance, or breach, of any other covenant or warranty in the applicable indentures other than a covenant or warranty included solely for the benefit of a series of debt securities other than that particular series, which continues for 90 days after notice to us by the applicable trustee or the holders of not less than a fixed percentage in aggregate principal amount of the debt securities of all series issued under the applicable indenture;

specified events of bankruptcy, insolvency or reorganization of us; or

any other event of default that may be set forth in the applicable prospectus supplement, including, but not limited to, an event of default based on other debt being accelerated, or cross-acceleration.

Table of Contents

No event of default with respect to any particular series of debt securities necessarily constitutes an event of default with respect to any other series of debt securities.

Each indenture provides that if an event of default with respect to any series of debt securities issued under the indenture has occurred and is continuing, either the relevant trustee or the holders of at least a fixed percentage in principal amount of the debt securities of the series then outstanding may declare the principal amount, or if any debt securities of the series are original issue discount securities, a lesser amount as may be specified in the applicable prospectus supplement, of all of the debt securities of the series to be due and payable immediately. However, upon specified conditions, the declaration and its consequences may be rescinded and annulled by the holders of a majority in principal amount of the debt securities of all series issued under the applicable indenture.

The applicable prospectus supplement will provide the terms pursuant to which an event of default will result in an acceleration of the payment of principal of subordinated or junior subordinated debt securities.

In the case of a default in the payment of principal of, or premium, if any, or interest, if any, on any subordinated or junior subordinated debt securities of any series, the applicable trustee, subject to specified limitations and conditions, may institute a judicial proceeding for collection.

No holder of any of the debt securities of any series issued under any indenture has any right to institute any proceeding with respect to that indenture or any remedy under that indenture, unless the holders of at least a fixed percentage in principal amount of the outstanding debt securities of that series have made written request, and offered reasonable indemnity, to the applicable trustee to institute a proceeding as trustee, the applicable trustee has failed to institute a proceeding within 60 days after receipt of the notice and the applicable trustee has not within the 60-day period received directions inconsistent with the written request by holders of a majority in principal amount of the outstanding debt securities of the series. These limitations do not apply, however, to a suit instituted by a holder of a debt security for the enforcement of the payment of the principal of, premium, if any, or any accrued and unpaid interest on, the debt security on or after the respective due dates expressed in the debt security.

Subject to the provisions of the applicable indenture relating to the duties of the applicable trustee, if an event of default occurs and is continuing, the applicable trustee is not under any obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders unless those holders have offered to the applicable trustee reasonable security or indemnity. Subject to provisions concerning the rights of the applicable trustee, the holders of a majority in principal amount of the outstanding debt securities of any series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust, or power conferred on the applicable trustee with respect to that series.

The applicable trustee may withhold notice to the holders of debt securities of any default, except in the payment of principal or interest, if it considers the withholding of notice to be in the best interests of the holders. Other than its duties in case of a default, a trustee is not obligated to exercise any of its rights or powers under the indentures at the request, order or direction of any holders, unless the holders offer the trustee reasonable indemnity. If they provide this reasonable indemnification, the holders of a majority in principal amount of any series of debt securities may direct the time, method and place of conducting any proceeding or any remedy available to the applicable trustee, or exercising any power conferred upon the applicable trustee, for any series of debt securities.

We are required to furnish to the trustees annually a statement as to compliance with all conditions and covenants under the indentures.

Table of Contents

Modification and Waivers

From time to time, we, when authorized by resolutions of our board of directors, and the applicable trustee, without the consent of the holders of debt securities of any series, may amend, waive or supplement the indentures and the debt securities of the series for specified purposes, including, among other things:

to cure ambiguities, defects or inconsistencies;

to provide for the assumption of our obligations to holders of the debt securities of the series in the case of a merger, consolidation, conveyance or transfer;

to add to our events of default or our covenants or to make any change that would provide any additional rights or benefits to the holders of the debt securities of that series;

to add or change any provisions of the indenture to facilitate the issuance of bearer securities;

to establish the form or terms of debt securities of any series and any related coupons;

to secure the debt securities of that series;

to maintain the qualification of the indentures under the Trust Indenture Act;

to make any change that does not adversely affect the rights of any holder;

to appoint a successor trustee; or

to make provisions with respect to the conversion or exchange rights of holders.

Other amendments and modifications of the indentures or the related debt securities may be made by us and the applicable trustee with the consent of the holders of at least a majority of the aggregate principal amount of the outstanding debt securities of each series that would be affected, with each series voting as a separate class; provided that no modification or amendment may, without the consent of the holder of each outstanding debt security that would be affected:

reduce the principal amount of, or change the stated maturity of the principal of, or reduce the rate or modify the calculation of the rate of interest of the debt securities or any additional amounts, or any premium payable upon the redemption or repayment or otherwise, or change our obligation to pay additional amounts;

Edgar Filing: MARKEL CORP - Form 424B5

reduce the amount of the principal of an original issue discount security that would be due and payable upon a declaration of acceleration of the maturity, or the amount provable in bankruptcy;

adversely affect the right of repayment at the option of any holder of the debt securities;

change the place of payment, currency in which the principal of, any premium or interest on, or any additional amounts with respect to debt securities are payable;

impair the right of any holder of the debt securities to institute suit for the enforcement of any payment on the debt securities or after the stated maturity, or, in the case of redemption, on or after the redemption date or, in the case of repayment at the option of any holder of the debt securities, on or after the repayment date;

reduce the percentage in principal amount of the outstanding debt securities of any series, the consent of whose holder is required for any supplemental indenture, or the consent of whose holder is required for any waiver of specified defaults hereunder and their consequences provided for in the indentures;

reduce the requirements of quorum or voting under the indentures;

make any change that adversely affects the right to convert or exchange any of the debt securities for capital stock or other securities in accordance with its terms; or

modify the above provisions, except as permitted by the applicable indenture.

Table of Contents

The holders of a majority in aggregate principal amount of the outstanding debt securities of any series may waive compliance by us with specified restrictive provisions of the relevant indenture, including any other restrictive covenants, if any, that may be set forth in the applicable prospectus supplement. The holders of a majority in aggregate principal amount of the outstanding debt securities of any series may, on behalf of all holders of debt securities of that series, waive any past default under the applicable indenture with respect to debt securities of that series and its consequences, except a default in the payment of the principal of, or premium, if any, or interest, if any, on any debt securities of that series or in respect of a covenant or provision which cannot be modified or amended without the consent of a larger fixed percentage or by the holder of each outstanding debt security of the series affected.

Satisfaction; Discharge

Except as described in this section, we may discharge all of our obligations to holders of the debt securities issued under the indentures, which debt securities have not already been delivered to the applicable trustee for cancellation and which either have become due and payable or are by their terms due and payable within one year, or are to be called for redemption within one year, by depositing with the applicable trustee an amount certified to be sufficient to pay when due the principal, interest and premium, if any, on all outstanding debt securities. However, some of our obligations under the indentures will survive, including with respect to the following:

remaining rights to register the transfer, conversion, substitution or exchange of debt securities of the applicable series;

rights of holders to receive payments of principal of, and any interest on, the debt securities of the applicable series, and other rights, duties and obligations of the holders of debt securities with respect to any amounts deposited with the applicable trustee; and

the rights, obligations and immunities of the applicable trustee under the applicable indenture.

Defeasance

We will be discharged from our obligations on the debt securities of any series at any time if we deposit with the applicable trustee sufficient cash or government securities to pay the principal, interest, any premium and any other sums due to the stated maturity date or a redemption date of the debt securities of the series. If this happens, the holders of the debt securities of the series will not be entitled to the benefits of the applicable indenture except for registration of transfer and exchange of debt securities and replacement of lost, stolen or mutilated debt securities.

Under federal income tax law as of the date of this prospectus, a discharge may be treated as an exchange of the related debt securities. Each holder might be required to recognize gain or loss equal to the difference between the holder's cost or other tax basis for the debt securities and the value of the holder's interest in the trust. Holders might be required to include as income a different amount than would be includable without the discharge. We urge prospective investors to consult their own tax advisers as to the consequences of a discharge, including the applicability and effect of tax laws other than the federal income tax law.

Governing Law

Edgar Filing: MARKEL CORP - Form 424B5

The indentures and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York.

Table of Contents

Regarding the Trustees

The Trust Indenture Act contains limitations on the rights of a trustee, should it become a creditor of ours, to obtain payment of claims in some cases or to realize on some property received by it in respect of those claims, as security or otherwise. Each trustee is permitted to engage in other transactions with us and our subsidiaries from time to time, provided that if that trustee acquires any conflicting interest it must eliminate that conflict upon the occurrence of an event of default under the relevant indenture, or else resign.

The Chase Manhattan Bank is the trustee under our senior indenture, subordinated indenture and junior subordinated indenture. It is also the property trustee and guarantee trustee and the The Chase Manhattan Bank USA, National Association is the Delaware trustee for the Capital Trust. We and some of our affiliates maintain banking relationships with The Chase Manhattan Bank. The Chase Manhattan Bank also serves as trustee under other indentures pursuant to which securities of ours and of some of our affiliates are outstanding. It has purchased, and is likely to purchase in the future, our securities and securities of our affiliates. The Chase Manhattan Bank administers its corporate trust business at 450 West 33rd Street, New York, New York 10001, Attention: Capital Markets Fiduciary Services.

Subordination of the Subordinated and Junior Subordinated Debt Securities

Each series of subordinated and junior subordinated debt securities will be subordinate and junior in right of payment, to the extent set forth in the applicable indenture, to all senior indebtedness as defined below. If:

we make a payment or distribution of any of our assets to creditors upon our dissolution, winding-up, liquidation or reorganization, whether in bankruptcy, insolvency or otherwise;

a default beyond any grace period has occurred and is continuing with respect to the payment of principal, interest or any other monetary amounts due and payable on any senior indebtedness; or

the maturity of any senior indebtedness has been accelerated because of a default on that senior indebtedness,

then the holders of senior indebtedness generally will have the right to receive payment, in the case of the first instance, of all amounts due or to become due upon that senior indebtedness, and, in the case of the second and third instances, of all amounts due on that senior indebtedness, or we will make provision for those payments, before the holders of any subordinated or junior subordinated debt securities have the right to receive any payments of principal or interest on their subordinated or junior subordinated debt securities.

Senior indebtedness means, with respect to any series of subordinated or junior subordinated debt securities, the principal, premium, interest and any other payment in respect of any of the following:

all of our indebtedness for borrowed or purchased money whether or not it is evidenced by notes, debentures, bonds or other written instruments;

Edgar Filing: MARKEL CORP - Form 424B5

our obligations for reimbursement under letters of credit, banker's acceptances, security purchase facilities or similar facilities issued for our account;

capitalized lease obligations;

any of our other indebtedness or obligations with respect to commodity contracts, interest rate commodity and currency swap agreements and other similar agreements or arrangements; and

all indebtedness of others of the kinds described in the preceding categories which we have assumed or guaranteed.

Senior indebtedness will be entitled to the benefits of the subordination provisions in the subordinated indenture irrespective of the amendment, modification or waiver of any term of the senior indebtedness. We may

Table of Contents

not amend the subordinated or junior subordinated indenture to change the subordination of any outstanding subordinated or junior subordinated debt securities without the consent of each holder of senior indebtedness that the amendment would adversely affect.

The subordinated indenture does not limit the amount of senior indebtedness that we may issue.

Additional Terms of the Junior Subordinated Debt Securities

Additional Covenants Applicable to Junior Subordinated Debt Securities

Under the junior subordinated indenture, we will:

maintain 100% ownership of the Capital Trust while the junior subordinated debt securities remain outstanding; and

pay to the Capital Trust any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other taxing authority on that Capital Trust, so that the net amounts received and retained by the Capital Trust, after paying any taxes, duties, assessments or other governmental charges, will be not less than the Capital Trust would have received had no such taxes, duties, assessments or other governmental charges been imposed.

Option to Extend Interest Payment Period

We can defer interest payments by extending the interest payment period for the number of consecutive extension periods specified in the applicable prospectus supplement (each, an extension period). Other details regarding the extension period will also be specified in the applicable prospectus supplement. No extension period may extend beyond the maturity of the junior subordinated debt securities. At the end of the extension period(s), we will pay all interest then accrued and unpaid, together with interest compounded quarterly at the rate for the junior subordinated debt securities, to the extent permitted by applicable law.

During any extension period, we will not make distributions related to our capital stock, including dividends, redemptions, repurchases, liquidation payments, or guarantee payments. Also we will not make any payments, redeem or repurchase any debt securities of equal or junior rank to the junior subordinated debt securities or make any guarantee payments on any such debt securities. We may, however, make the following types of distributions:

dividends paid in common shares;

dividends in connection with the implementation of a shareholder rights plan;

Edgar Filing: MARKEL CORP - Form 424B5

payments to a trust holding securities of the same series under a guarantee;

repurchases, redemptions or other acquisitions of shares of our capital stock in connection with any employment contract, benefit plan or other similar arrangement or in connection with a dividend reinvestment plan, or

issuances resulting from the reclassification, exchange or conversion of shares of capital stock.

Table of Contents

DESCRIPTION OF THE TRUST PREFERRED SECURITIES

The following is a summary of the principal terms of the trust preferred securities. The form of amended trust agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, or is incorporated by reference. The terms of the trust preferred securities will include those stated in the amended trust agreement and those made part of the amended trust agreement by the Trust Indenture Act.

General

The Capital Trust will exist until terminated as provided in its amended trust agreement. Except under specified circumstances, we will be entitled to appoint, remove, or replace trustees, who will conduct the business and affairs of the Capital Trust. The trustees of the Capital Trust will consist of:

two employees, officers or affiliates of Markel as administrative trustees;

a financial institution unaffiliated with us that will act as property trustee and as indenture trustee for purposes of the Trust Indenture Act, under the terms set forth in a prospectus supplement (the property trustee); and

one trustee with its principal place of business or who resides in the State of Delaware and who will act under the terms set forth in a prospectus supplement.

The amended trust agreement will authorize the administrative trustees to issue, on behalf of the Capital Trust, two classes of trust securities, trust preferred securities and trust common securities, each of which will have the terms described in this prospectus and in the applicable prospectus supplement. We will own all of the trust common securities. The trust common securities will rank equally in right of payment, and payments will be made on the trust common securities, proportionately with the trust preferred securities. However, if an event of default occurs and is continuing under the amended trust agreement, the rights of the holders of the trust common securities to payment for distributions and payments upon liquidation, redemption and otherwise, will be subordinated to the rights of the holders of the trust preferred securities. We will acquire, directly or indirectly, trust common securities in a total liquidation amount of approximately 3% of the total capital of the Capital Trust.

The proceeds from the sale of the trust preferred securities will be used by the Capital Trust to purchase our junior subordinated debt securities. These junior subordinated debt securities will be held in trust by the property trustee for the benefit of the holders of the trust securities. We will guarantee the payments of distributions and payments on redemption or liquidation with respect to the trust preferred securities, but only to the extent the Capital Trust has funds available to make those payments and has not made the payments. See Description of the Guarantee.

The assets of the Capital Trust available for distribution to the holders of trust preferred securities will be limited to payments from us under the junior subordinated debt securities held by the Capital Trust. If we fail to make a payment on the junior subordinated debt securities, the Capital Trust will not have sufficient funds to make related payments, including distributions, on its trust preferred securities.

Edgar Filing: MARKEL CORP - Form 424B5

The guarantee, when taken together with our obligations under the junior subordinated debt securities, the subordinated indenture and the amended trust agreement, will provide a full and unconditional guarantee of amounts due on the trust preferred securities issued by the Capital Trust.

The trust preferred securities will have the terms, including distributions, redemption, voting, liquidation rights and other preferred, deferred or other special rights or restrictions that will be described in the amended trust agreement or made part of the amended trust agreement by the Trust Indenture Act or the Delaware Business Trust Act. The terms of the trust preferred securities will mirror the terms of the junior subordinated

Table of Contents

debt securities held by the Capital Trust. In other words, the distribution rate and the distribution payment dates and other payment dates for the trust preferred securities will correspond to the interest rate and interest payment dates and other payment dates on the junior subordinated debt securities. Holders of trust preferred securities have no preemptive or similar rights.

Provisions of a Particular Series

The Capital Trust may issue only one series of trust preferred securities. The applicable prospectus supplement will set forth the principal terms of the trust preferred securities that will be offered, including:

the annual distribution rate(s) or method of determining such rate(s), the payment date(s) and the record dates used to determine the holders who are to receive distributions;

the date from which distributions will be cumulative;

the optional redemption provisions, if any, including the prices, time periods and other terms and conditions on which the trust preferred securities will be purchased or redeemed, in whole or in part;

the terms and conditions, if any, upon which the junior subordinated debt securities and the related guarantee may be distributed to holders of those trust preferred securities;

any securities exchange on which the trust preferred securities will be listed;

whether the trust preferred securities are to be issued in book-entry form and represented by one or more global certificates, and if so, the depository for those global certificates and the specific terms of the depository arrangements; and

any other relevant rights, preferences, privileges, limitations or restrictions of the trust preferred securities.

The interest rate and interest and other payment dates of junior subordinated debt securities issued to the Capital Trust will correspond to the rate at which distributions will be paid and the distribution and other payment dates of the trust preferred securities of that Trust.

Extensions

We have the right under the junior subordinated indenture to defer payments of interest on the junior subordinated debt securities by extending the interest payment period from time to time on the junior subordinated debt securities. The administrative trustees will give the holders of the trust preferred securities notice of any extension period upon their receipt of notice from us. If distributions are deferred, the deferred distributions and accrued interest will be paid to holders of record of the trust preferred securities as they appear on the books and records of the Capital Trust on the record date next following the termination of such deferral period. See **Additional Terms of Junior Subordinated Debentures** Option to Extend Interest Payment Period.

Distributions

Distributions on the trust preferred securities will be made on the dates payable to the extent that the Capital Trust has funds available for the payment of distributions in the property account. The Capital Trust's funds available for distribution to the holders of the trust securities will be limited to payments received from us on the junior subordinated debt securities. We have guaranteed the payment of distributions out of monies held by the Capital Trust to the extent set forth under Description of the Guarantee.

Distributions on the trust preferred securities will be payable to the holders named on the securities register of the Capital Trust at the close of business on the relevant record dates, which, as long as the trust preferred securities remain in book-entry only form, will be one business day before the relevant payment dates. Distributions will be paid through the property trustee who will hold amounts received in respect of the junior

Table of Contents

subordinated debt securities in the property account for the benefit of the holders of the trust securities. If the trust preferred securities do not continue to remain in book-entry only form, the relevant record dates will conform to the rules of any securities exchange on which the trust preferred securities are listed and, if none, the administrative trustees will have the right to select relevant record dates, which will be more than 14 days but less than 60 days before the relevant payment dates. If any date on which distributions are to be made on the trust preferred securities is not a business day, then payment of the distributions payable on that date will be made on the next succeeding day which is a business day and without any interest or other payment in respect of that delay, except that, if that business day is in the next succeeding calendar year, the payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on the record date.

Mandatory Redemption of Trust Preferred Securities

The trust preferred securities have no stated maturity date, but will be redeemed upon the maturity of the junior subordinated debt securities or to the extent the junior subordinated debt securities are redeemed before maturity. The junior subordinated debt securities will mature on the date specified in the applicable prospectus supplement and may be redeemed at any time, in whole but not in part, in certain circumstances upon the occurrence of a Tax Event or an Investment Company Event as described under Special Event Redemption.

Upon the maturity of the junior subordinated debt securities, the proceeds of their repayment will simultaneously be applied to redeem all the outstanding trust securities at the Redemption Price. Upon the redemption of the junior subordinated debt securities, either at our option or as a result of a Tax Event or an Investment Company Event, the proceeds from the redemption will simultaneously be applied to redeem trust securities having a total liquidation amount equal to the total principal amount of the junior subordinated debt securities so redeemed at the redemption price; provided, that holders of trust securities will be given not less than 20 nor more than 60 days' notice of the redemption. If fewer than all of the outstanding trust securities are to be redeemed, the trust securities will be redeemed proportionately.

Special Event Redemption

Both a Tax Event and an Investment Company Act Event constitute Special Events for purposes of the redemption provisions described in the preceding paragraph.

A Tax Event means that the administrative trustees have received an opinion of independent tax counsel experienced in those matters to the effect that, as a result of any amendment to, change or announced proposed change in:

the laws or regulations of the United States or any of its political subdivisions or taxing authorities, or

any official administrative pronouncement, action or judicial decision interpreting or applying those laws or regulations,

which amendment or change becomes effective or proposed change, pronouncement, action or decision is announced on or after the date the trust preferred securities are issued and sold, there is more than an insubstantial risk that:

Edgar Filing: MARKEL CORP - Form 424B5

the Capital Trust is or within 90 days would be subject to U.S. federal income tax with respect to income accrued or received on the junior subordinated debt securities,

interest payable to the Capital Trust on the junior subordinated debt securities is not or within 90 days would not be deductible, in whole or in part, by us for U.S. federal income tax purposes, or

the Capital Trust is or within 90 days would be subject to a material amount of other taxes, duties or other governmental charges.

Table of Contents

Investment Company Event means that the administrative trustees have received an opinion of a nationally recognized independent counsel to the effect that, as a result of an amendment to or change in the Investment Company Act or regulations thereunder on or after the date the trust preferred securities are issued and sold, there is more than an insubstantial risk that the Capital Trust is or will be considered an investment company and be required to be registered under the Investment Company Act.

Redemption Procedures

The Capital Trust may not redeem fewer than all the outstanding trust securities unless all accrued and unpaid distributions have been paid on all trust securities for all distribution periods terminating on or before the date of redemption. If fewer than all of the outstanding trust securities are to be redeemed, the trust securities will be redeemed proportionately.

If the Capital Trust gives a notice of redemption in respect of the trust securities (which notice will be irrevocable), and if we have paid to the property trustee a sufficient amount of cash in connection with the related redemption or maturity of the junior subordinated debt securities, then, by 12:00 noon New York City time on the redemption date, the property trustee will irrevocably deposit with the depository funds sufficient to pay the applicable redemption price and will give the depository irrevocable instructions and authority to pay the redemption price to the holders of the trust preferred securities, and the paying agent will pay the applicable redemption price to the holders of the trust common securities by check. If notice of redemption has been given and funds deposited as required, then, immediately before the close of business on the date of the deposit, distributions will cease to accrue and all rights of holders of trust preferred securities called for redemption will cease, except the right of the holders of the trust preferred securities to receive the redemption price but without interest on the redemption price. If any date fixed for redemption of trust preferred securities is not a business day, then payment of the redemption price payable on that date will be made on the next succeeding day that is a business day, without any interest or other payment in respect of any such delay, except that, if that business day falls in the next calendar year, payment will be made on the immediately preceding business day. If payment of the redemption price in respect of trust preferred securities is improperly withheld or refused and not paid either by the Capital Trust or by us under the guarantee, distributions on the trust preferred securities will continue to accrue at the then applicable rate from the original redemption date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price.

Subject to the foregoing and applicable law, including, without limitation, U.S. federal securities laws, we or our subsidiaries may at any time, and from time to time, purchase outstanding trust preferred securities by tender, in the open market or by private agreement.

Distribution of the Junior Subordinated Debt Securities

We will have the right at any time to dissolve the Capital Trust and, after satisfaction of the liabilities of creditors of the Capital Trust as provided by applicable law, to cause junior subordinated debt securities to be distributed to the holders of the trust preferred securities in a total stated principal amount equal to the total stated liquidation amount of the trust preferred securities then outstanding. Before any such dissolution, we will obtain any required regulatory approvals. The right to dissolve the trust and distribute the junior subordinated debt securities will be conditioned on our receipt of an opinion rendered by an independent tax counsel that the distribution would not result in the recognition of gain or loss for federal income tax purposes by the holders.

Table of Contents

Liquidation Distribution Upon Dissolution

The amended trust agreement will state that the Capital Trust will be dissolved:

upon our bankruptcy;

upon the filing of a certificate of dissolution or its equivalent with respect to us;

upon the filing of a certificate of cancellation with respect to the Capital Trust after obtaining the consent of at least a majority in liquidation amount of the trust preferred securities, voting together as a single class;

90 days after the revocation of our charter, but only if the charter is not reinstated during that 90-day period;

upon the distribution of the related junior subordinated debt securities directly to the holders of the trust securities;

upon the redemption of all of the trust securities; or

upon entry of a court order for the dissolution of us or the Capital Trust.

Upon a dissolution, after the Capital Trust pays all amounts owed to creditors, the holders of the trust preferred securities will be entitled to receive:

cash equal to the total liquidation amount of the trust preferred security specified in an accompanying prospectus supplement, plus accumulated and unpaid distributions to the date of payment, or

junior subordinated debt securities in a total principal amount equal to the total liquidation amount of the trust preferred securities.

If the Capital Trust cannot pay the full amount due on its trust securities because insufficient assets are available for payment, then the amounts payable by the Capital Trust on its trust securities will be paid proportionately. However, if an event of default under the related amended trust agreement occurs, the total amounts due on the trust preferred securities will be paid before any distribution on the trust common securities. Under certain circumstances involving the dissolution of the Capital Trust, subject to obtaining any required regulatory approval, junior subordinated debt securities will be distributed to the holders of the trust securities in liquidation of the Capital Trust.

Trust Enforcement Events

Edgar Filing: MARKEL CORP - Form 424B5

An event of default under the junior subordinated indenture relating to the junior subordinated debt securities will be an event of default under the amended trust agreement (a trust enforcement event). See Description of Debt Securities Events of Default.

In addition, the voluntary or involuntary dissolution, winding up or termination of the Capital Trust is also a trust enforcement event, except in connection with:

the distribution of the junior subordinated debt securities to holders of the trust securities of the Capital Trust,

the redemption of all of the trust securities of the Capital Trust, or

mergers, consolidations or amalgamations permitted by the amended trust agreement of the Capital Trust.

Under the amended trust agreement, the holder of the trust common securities will be deemed to have waived any trust enforcement event with respect to the trust common securities until all trust enforcement events with respect to the trust preferred securities have been cured, waived or otherwise eliminated. Until all trust enforcement events with respect to the trust preferred securities have been so cured, waived, or otherwise

Table of Contents

eliminated, the property trustee will be deemed to be acting solely on behalf of the holders of the trust preferred securities and only the holders of the trust preferred securities will have the right to direct the property trustee with respect to certain matters under the amended trust agreement and the junior subordinated indenture. If any trust enforcement event with respect to the trust preferred securities is waived by the holders of the trust preferred securities as provided in the amended trust agreement, under the amended trust agreement the holders of trust common securities have agreed that the waiver also constitutes a waiver of the trust enforcement event with respect to the trust common securities for all purposes under the amended trust agreement without any further act, vote or consent of the holders of trust common securities.

We and the administrative trustees must file annually with the property trustee a certificate evidencing compliance with all the applicable conditions and covenants under the amended trust agreement.

Upon the occurrence of a trust enforcement event the property trustee, as the sole holder of the junior subordinated debt securities, will have the right under the junior subordinated indenture to declare the principal of, interest and premium, if any, on the junior subordinated debt securities to be immediately due and payable.

If the property trustee fails to enforce its rights under the amended trust agreement or the junior subordinated indenture to the fullest extent permitted by law and subject to the terms of the amended trust agreement and the junior subordinated indenture, any holder of trust preferred securities may sue us, or seek other remedies, to enforce the property trustee's rights under the amended trust agreement or the junior subordinated indenture without first instituting a legal proceeding against the property trustee or any other person. If a trust enforcement event occurs and is continuing as a result of our failure to pay principal of or interest or premium, if any, on the junior subordinated debt securities when payable, then a holder of the trust preferred securities may directly sue us or seek other remedies, to collect its proportionate share of payments owned. See Relationship Among the Trust Preferred Securities, The Guarantee and the Junior Subordinated Debentures Held by the Trust.

Removal and Replacement of Trustees

Only the holders of trust common securities have the right to remove or replace the trustees of the Capital Trust, except that while an event of default in respect of the junior subordinated debt securities has occurred or is continuing, the holders of a majority of the trust preferred securities will have this right. The resignation or removal of any trustee and the appointment of a successor trustee will be effective only on the acceptance of appointment by the successor trustee in accordance with the provisions of the amended trust agreement.

Mergers, Consolidations or Amalgamations of the Capital Trust

The Capital Trust may not consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other corporation or other body (each, a merger event), except as described below. The Capital Trust may, with the consent of a majority of its administrative trustees and without the consent of the holders of its trust securities, consolidate, amalgamate, merge with or into, or be replaced by another trust, provided that the following conditions are met:

the successor entity either

Edgar Filing: MARKEL CORP - Form 424B5

assumes all of the obligations of the Capital Trust relating to its trust securities, or

substitutes other securities for the trust securities that are substantially similar to the trust securities, so long as the successor securities rank the same as the trust securities for distributions and payments upon liquidation, redemption and otherwise;

we acknowledge a trustee of the successor entity who has the same powers and duties as the property trustee of the Capital Trust, as the holder of the junior subordinated debt securities;

Table of Contents

the trust preferred securities are listed, or any successor securities will be listed, upon notice of issuance, on the same securities exchange or other organization that the trust preferred securities are then listed;

the merger event does not cause the trust preferred securities or successor securities to be downgraded by any nationally recognized rating agency;

the merger event does not adversely affect the rights, preferences and privileges of the holders of the trust securities or successor securities in any material way, other than with respect to any dilution of the holders' interest in the new entity;

the successor entity has a purpose identical to that of the Capital Trust;

before the merger event, we have received an opinion of counsel from a nationally recognized law firm stating that

the merger event does not adversely affect the rights of the holders of the trust preferred securities or any successor securities in any material way, other than with respect to any dilution of the holders' interest in the new entity, and

following the merger event, neither the Capital Trust nor the successor entity will be required to register as an investment company under the Investment Company Act; and

we guarantee the obligations of the successor entity under the successor securities in the same manner as in the guarantee.

In addition, unless all of the holders of the trust preferred securities and trust common securities approve otherwise, the Capital Trust will not consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if, in the opinion of a nationally recognized tax counsel experienced in such matters, the transaction would cause the Capital Trust or the successor entity to be classified other than as a grantor trust for U.S. federal income tax purposes.

Voting Rights; Amendment of Trust Agreement

The holders of trust preferred securities have no voting rights except as discussed under **Mergers, Consolidations or Amalgamations of the Trust and Description of the Guarantee Amendments**, and as otherwise required by law and the amended trust agreement.

The amended trust agreement may be amended if approved by a majority of the administrative trustees of the Capital Trust. However, if any proposed amendment provides for, or the administrative trustees otherwise propose to effect,

any action that would adversely affect the powers, preferences or special rights of the trust securities, whether by way of amendment to the amended trust agreement or otherwise, or

the dissolution, winding-up or termination of the Capital Trust other than under the terms of its amended trust agreement,

then the holders of the trust preferred securities as a single class will be entitled to vote on the amendment or proposal. In that case, the amendment or proposal will only be effective if approved by at least a majority in liquidation amount of the trust preferred securities affected by the amendment or proposal.

No amendment may be made to the amended trust agreement if that amendment would:

cause the Capital Trust to be characterized as other than a grantor trust for U.S. federal income tax purposes;

reduce or otherwise adversely affect the powers of the property trustee; or

cause the Capital Trust to be deemed to be an investment company which is required to be registered under the Investment Company Act.

Table of Contents

The holders of a majority of the total liquidation amount of the trust preferred securities have the right to:

direct the time, method and place of conducting any proceeding for any remedy available to the property trustee; or

direct the exercise of any trust or power conferred upon the property trustee under the amended trust agreement, including the right to direct the property trustee, as the holder of the junior subordinated debt securities, to

exercise the remedies available under the junior subordinated indenture with respect to the junior subordinated debt securities,

waive any event of default under the junior subordinated indenture that is waivable, or

cancel an acceleration of the principal of the junior subordinated debt securities.

In addition, before taking any of the foregoing actions, the property trustee must obtain an opinion of counsel stating that, as a result of that action, the Capital Trust will continue to be classified as a grantor trust for U.S. federal income tax purposes.

As described in the form of amended trust agreement, the property trustee may hold a meeting to have holders of trust preferred securities vote on a change or have them approve a change by written consent.

If a vote by the holders of trust preferred securities is taken or a consent is obtained, any trust preferred securities owned by us or any of our affiliates will, for purposes of the vote or consent, be treated as if they were not outstanding, which will have the following consequences:

we and any of our affiliates will not be able to vote on or consent to matters requiring the vote or consent of holders of trust preferred securities; and

any trust preferred securities owned by us or any of our affiliates will not be counted in determining whether the required percentage of votes or consents has been obtained.

Information Concerning the Property Trustee

For matters relating to compliance with the Trust Indenture Act, the property trustee will have all of the duties and responsibilities of an indenture trustee under the Trust Indenture Act. The property trustee, other than during the occurrence and continuance of a trust enforcement event, undertakes to perform only the duties that are specifically described in the amended trust agreement and, upon a trust enforcement event, must use the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the property trustee is under no obligation to exercise any of the powers given it by the applicable amended trust agreement at the request of any holder of trust preferred securities unless it is offered reasonable security or indemnity against the costs, expenses and liabilities that it might incur. However, the holders of the trust preferred securities will not be required to offer such an indemnity where the holders, by exercising their voting rights, direct the property trustee to take any action following a trust enforcement event.

Information Concerning the Administrative Trustees

The administrative trustees are authorized and directed to conduct the affairs of and to operate the Capital Trust in a way that:

will not cause it to be deemed to be an investment company required to be registered under the Investment Company Act;

will cause it to be classified as a grantor trust for U.S. federal income tax purposes; and

will cause the junior subordinated debt securities it holds to be treated as our indebtedness for U.S. federal income tax purposes.

We and the administrative trustees are authorized to take any action, so long as it is consistent with applicable law or the certificate of trust or amended trust agreement, that we and the administrative trustees determine to be necessary or desirable for those purposes.

Table of Contents

DESCRIPTION OF THE GUARANTEE

We will execute the guarantee for the benefit of the holders of the trust preferred securities.

The Chase Manhattan Bank will act as guarantee trustee under the guarantee. The guarantee trustee will hold the guarantee for the benefit of the holders of the trust preferred securities.

The following description of the guarantee is only a summary. The form of guarantee is an exhibit to the registration statement.

General

We will irrevocably and unconditionally agree under the guarantee to pay the guarantee payments, to the extent specified in the guarantee, to the holders of the trust preferred securities, but only to the extent that the guarantee payments are not paid by or on behalf of the Capital Trust. We are required to pay the guarantee payments to the extent specified in the guarantee regardless of any defense, right of set-off or counterclaim that we may have or may assert against any person.

The following payments and distributions on the trust preferred securities are guarantee payments:

any accrued and unpaid distributions required to be paid on the trust preferred securities of the Capital Trust, but only to the extent that the Capital Trust has funds legally and immediately available for those distributions;

the redemption price for any trust preferred securities that the Capital Trust calls for redemption, including all accrued and unpaid distributions to the redemption date, but only to the extent that the Capital Trust has funds legally and immediately available for the payment; and

upon a dissolution, winding-up or termination of the Capital Trust, other than in connection with the distribution of junior subordinated debt securities to the holders of trust securities of the Capital Trust or the redemption of all the trust preferred securities of the Capital Trust, the lesser of:

the sum of the liquidation amount and all accrued and unpaid distributions on the trust preferred securities of the Capital Trust to the payment date, to the extent that the Capital Trust has funds legally and immediately available for the payment; and

the amount of assets of the Capital Trust remaining available for distribution to holders of the trust preferred securities of the Capital Trust in liquidation of the Capital Trust.

Edgar Filing: MARKEL CORP - Form 424B5

We may satisfy our obligation to make a guarantee payment by making that payment directly to the holders of the trust preferred securities or by causing the Capital Trust to make the payment to those holders.

The guarantee will be a full and unconditional guarantee, subject to certain subordination provisions, of the guarantee payments with respect to the trust preferred securities from the time of issuance of those trust preferred securities, except that the guarantee will only apply to the payment of distributions and other payments on the trust preferred securities when the Capital Trust has sufficient funds legally and immediately available to make those distributions or other payments.

If we do not make the required payments on the junior subordinated debt securities that the property trustee holds under the Capital Trust, the Capital Trust will not make the related payments on its trust preferred securities.

Table of Contents

Subordination

Our obligations under the guarantee will be unsecured obligations of Markel. Those obligations will rank:

subordinate and junior in right of payment to all of our other liabilities, other than obligations or liabilities that rank equal in priority or subordinate by their terms;

equal in priority with the junior subordinated debt securities that we may issue and similar guarantees; and

senior to our common shares.

The guarantee will be a guarantee of payment and not of collection. This means that the guaranteed party may institute a legal proceeding directly against us, as guarantor, to enforce its rights under the guarantee without first instituting a legal proceeding against any other person or entity.

The terms of the trust preferred securities will provide that each holder of the trust preferred securities, by accepting those trust preferred securities, agrees to the subordination provisions and other terms of the guarantee.

Amendments

We may amend the guarantee without the consent of any holder of the trust preferred securities if the amendment does not materially and adversely affect the rights of those holders. We may otherwise amend the guarantee with the approval of the holders of at least 50% of the outstanding trust preferred securities to which that guarantee relates.

Termination

The guarantee will terminate and be of no further effect when:

the redemption price of the trust preferred securities is fully paid;

we distribute the related junior subordinated debt securities to the holders of those trust preferred securities; or

the amounts payable upon liquidation of the Capital Trust are fully paid.

The guarantee will remain in effect or will be reinstated if at any time any holder of the trust preferred securities must restore payment of any sums paid to that holder with respect to the trust preferred securities or under the guarantee.

Material Covenants

We will covenant that, so long as any trust preferred securities remain outstanding, if there is an event of default under the guarantee or the amended trust agreement:

we will not make distributions related to our debt securities that rank equally with or junior to the junior subordinated debt securities, including any payment of interest, principal or premium, or repayments, repurchases or redemptions; and

we will not make distributions related to our capital stock, including dividends, redemptions, repurchases, liquidation payments, or guarantee payments. We may, however, make the following types of distributions:

dividends paid in common shares;

dividends in connection with the implementation of a shareholder rights plan;

payments to a trust holding securities of the same series under a guarantee; and

repurchases, redemptions or other acquisitions of shares of our capital stock in connection with any benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants.

Table of Contents

Because we are a holding company that conducts all of our operations through our subsidiaries, our ability to meet our obligations under the guarantee is dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to us. The Capital Trust, as holder of the guarantee and the junior subordinated debt securities will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred shareholders.

Events of Default

An event of default will occur under the guarantee if we fail to perform any of our payment obligations under the guarantee. The holders of a majority of the trust preferred securities of any series may waive any such event of default and its consequences on behalf of all of the holders of the trust preferred securities of that series. The guarantee trustee is entitled to enforce the guarantee for the benefit of the holders of the trust preferred securities of a series if an event of default occurs under the guarantee.

The holders of a majority of the trust preferred securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the guarantee trustee or to direct the exercise of any trust or power that the guarantee trustee holds under the guarantee. Any holder of the trust preferred securities may institute a legal proceeding directly against us to enforce that holder's rights under the guarantee without first instituting a legal proceeding against the guarantee trustee or any other person or entity.

Concerning the Guarantee Trustee

The Chase Manhattan Bank is the guarantee trustee. It is also the property trustee, the junior subordinated indenture trustee, subordinated indenture trustee and the senior indenture trustee. The Chase Manhattan Bank USA, National Association is the Delaware trustee for the Capital Trust. We and some of our affiliates maintain banking relationships with The Chase Manhattan Bank. The Chase Manhattan Bank also serves as trustee under other indentures pursuant to which securities of ours and our affiliates are outstanding. It has purchased, and is likely to purchase in the future, our securities and securities of our affiliates.

The guarantee trustee will perform only those duties that are specifically set forth in the guarantee unless an event of default under the guarantee occurs and is continuing. In case an event of default occurs and is continuing, the guarantee trustee will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Subject to those provisions, the guarantee trustee is under no obligation to exercise any of its powers under the guarantee at the request of any holder of the trust preferred securities unless that holder offers reasonable indemnity to the guarantee trustee against the costs, expenses and liabilities which it might incur as a result.

Agreements as to Expenses and Liabilities

We will enter into an agreement as to expenses and liabilities under the trust agreement. The agreement as to expenses and liabilities will provide that we will, with certain exceptions, irrevocably and unconditionally guarantee the full payment of any indebtedness, expenses or liabilities of the Capital Trust to each person or entity to whom the Capital Trust becomes indebted or liable. The exceptions are the obligations of the Capital Trust to pay to the holders of the trust common or other similar interests in the Capital Trust the amounts due to the holders under the terms of the trust common securities or those similar interests.

Table of Contents

Relationship among the Trust Preferred Securities, the Guarantee and the Junior Subordinated Debentures Held by the Trust

We will guarantee payments of distributions and redemption and liquidation payments due on the trust preferred securities, to the extent the Capital Trust has funds available for the payments, to the extent described under Description of the Guarantee. No single document executed by us in connection with the issuance of the trust preferred securities will provide for our full, irrevocable and unconditional guarantee of the trust preferred securities. It is only the combined operation of our obligations under the guarantee, the amended trust agreement and the junior subordinated indenture that has the effect of providing a full, irrevocable and unconditional guarantee of the Capital Trust's obligations under the trust preferred securities.

As long as we make payments of interest and other payments when due on the junior subordinated debt securities held by the Capital Trust, those payments will be sufficient to cover the payment of distributions and redemption and liquidation payments due on the trust preferred securities issued by the Capital Trust, primarily because:

the total principal amount of the junior subordinated debt securities will be equal to the sum of the total liquidation amount of the trust securities;

the interest rate and interest and other payment dates on the junior subordinated debt securities will match the distribution rate and distribution and other payment dates for the trust preferred securities;

we will pay for any and all costs, expenses and liabilities of the Capital Trust except its obligations under its trust preferred securities; and

the amended trust agreement will provide that the Capital Trust will not engage in any activity that is not consistent with the limited purposes of the Capital Trust.

If and to the extent that we do not make payments on the junior subordinated debt securities, the Capital Trust will not have funds available to make payments of distributions or other amounts due on its trust preferred securities. In those circumstances, you will not be able to rely upon the guarantee for payment of these amounts. Instead, you may directly sue us or seek other remedies to collect your proportionate share of payments owed. If you sue us to collect payment, then we will assume your rights as a holder of trust preferred securities under the amended trust agreement to the extent we make a payment to you in any such legal action.

Accounting Treatment

The Capital Trust will be treated as a subsidiary of ours for financial reporting purposes. Accordingly, our consolidated financial statements will include the accounts of the Capital Trust. The trust preferred securities, along with other trust preferred securities that we guarantee on an equivalent basis, will be presented as a separate line item in our consolidated balance sheets, and appropriate disclosures about the trust preferred securities, the guarantee and the junior subordinated debt securities will be included in the notes to the consolidated financial statements. We will record distributions that the Capital Trust pays on the trust preferred securities as an expense in our consolidated statement of income.

Table of Contents

DESCRIPTION OF SHARE PURCHASE CONTRACTS AND SHARE PURCHASE UNITS

We may issue share purchase contracts, including contracts obligating holders to purchase from us, and us to sell to the holders, a specified number of common shares at a future date or dates, which we refer to in this prospectus as share purchase contracts. The price per common share and the number of common shares may be fixed at the time the share purchase contracts are issued or may be determined by reference to a specific formula set forth in the share purchase contracts. The share purchase contracts may be issued separately or as part of units consisting of a share purchase contract and beneficial interests in debt securities, trust preferred securities, preferred shares or debt obligations of third parties, including U.S. treasury securities, securing the holders' obligations to purchase common shares under the share purchase contracts, which we refer to in this prospectus as share purchase units. The share purchase contracts may require us to make periodic payments to the holders of the share purchase units or vice versa, and these payments may be unsecured or refunded on some basis. The share purchase contracts may require holders to secure their obligations under those contracts in a specified manner.

The applicable prospectus supplement will describe the terms of the share purchase contracts or share purchase units, including, if applicable, collateral or depositary arrangements, relating to the share purchase contracts or share purchase units.

PLAN OF DISTRIBUTION

A prospectus supplement will set forth the terms of the offering of the securities offered by that prospectus supplement, including:

the name or names of any underwriters and the respective amounts of the securities underwritten or purchased by each of them;

the initial public offering price of those securities and the proceeds to us, if any, and any discounts, commissions or concessions allowed or paid to dealers;

any securities exchanges on which those securities may be listed; and

the number of common shares to be sold by the selling security holders, if any.

If underwriters are used in the sale of any securities, those securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Those securities may be either offered to the public through underwriting syndicates represented by managing underwriters, or directly by underwriters. Unless otherwise set forth in the applicable prospectus supplement, the obligations of the underwriters to purchase those securities will be subject to conditions precedent and the underwriters will be obligated to purchase all of those securities if any are purchased. Any initial public offering price and any discounts or concessions allowed or paid to dealers may be changed from time to time.

The securities may be sold directly by us or through agents designated by us from time to time. Any agent involved in the offer or sale of the securities in respect of which a prospectus supplement is delivered will be named, and any commissions payable by us to the agent will be set forth, in the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis for

the period of its appointment.

If so indicated in the applicable prospectus supplement, we will authorize underwriters, dealers or agents to solicit offers by institutional investors to purchase the securities from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. There may be limitations on the minimum amount that may be purchased by any

Table of Contents

institutional investor or on the portion of the aggregate principal amount of the particular securities that may be sold pursuant to those arrangements. Institutional investors to which offers may be made, when authorized, include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions approved by us, if applicable. The obligations of any purchasers pursuant to delayed delivery and payment arrangements will be subject only to those conditions set forth in the prospectus supplement, and the prospectus supplement will set forth the commission payable for solicitation of those contracts.

Securities offered other than our common shares may be a new issue of securities with no established trading market. Any underwriters to whom those securities are sold by us for public offering and sale may make a market in those securities, but those underwriters will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of or the trading markets for those securities.

Agents and underwriters may be entitled under agreements entered into with us to indemnification by us against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments which the agents or underwriters may be required to make. Agents and underwriters may be customers of, engage in transactions with, or perform services for us in the ordinary course of business.

Selling security holders, as described in the section below entitled *Selling Security Holders*, may sell their common shares, and this prospectus may be delivered in conjunction with those sales. We will not receive any proceeds from the sale of common shares by the selling security holders.

The selling security holders may sell their common shares in connection with one or more offerings of common shares by Markel as described in the applicable prospectus supplement. The selling security holders and any underwriters, broker-dealers or agents that participate with the selling security holders in the distribution of their common shares may be deemed to be underwriters within the meaning of the Securities Act, and any commission received by them and any profit on the resale of any common shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The selling security holders will be subject to the applicable provisions of the Securities Exchange Act, and the rules and regulations under it, including the applicable provisions of Regulation M. Regulation M may restrict specified activities of the selling security holders and may limit the timing of purchases and sales of any common shares by the selling security holders. Also, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and other activities with respect to those securities for a specified period of time prior to the commencement of that distribution, subject to specified exceptions or exemptions.

Agents and underwriters may be entitled under agreements entered into with us to indemnification by us against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments which the agents or underwriters may be required to make. Agents and underwriters may be customers of, engage in transactions with, or perform services for us in the ordinary course of business.

Table of Contents**SELLING SECURITY HOLDERS**

The following table sets forth, as of September 30, 2001, information on common share ownership by the selling security holders. The registration of the selling security holders' common shares does not necessarily mean that the selling security holders will offer or sell any of their shares.

Name of Selling Security Holders	Relationship or Position with Markel for the Past Three Years	Common Shares Beneficially Owned Prior to Offering(1)	Common Shares Offered for Sale	Common Shares to be Beneficially Owned After Offering(1)	Percentage of Common Shares to be Owned After Offering(1),(2)
Anthony F. Markel	President and Chief Operating Officer, Director	375,665(3)	75,000	300,665(3)	3.49%
Gary L. Markel	Director	355,225(4)	75,000	280,225(4)	3.25%
Steven A. Markel	Vice Chairman, Director	558,090(5)	75,000	483,090(5)	5.60%
Darrell D. Martin	Executive Vice President and Chief Financial Officer, Director	59,293(6)	10,000	49,293(6)	less than 1%

- (1) In accordance with SEC rules, beneficial ownership means shared or sole voting or investment power with respect to common shares shown in the table.
- (2) Assumes none of the securities registered and sold under this prospectus are common shares.
- (3) Includes 57,483 shares held in Grantor Retained Annuity Trusts for which Mr. Anthony F. Markel is trustee and partial beneficiary. Includes 2,657 shares held as trustee for the benefit of Mr. Anthony F. Markel's children as to which he disclaims beneficial ownership. Includes 5,300 shares held as co-trustee with Gary Markel under trusts created under wills. Includes 2,850 shares held as trustee for the benefit of his children as to which he disclaims beneficial ownership. Includes 6,000 shares held by Mr. Markel's wife as to which shares he disclaims beneficial ownership.
- (4) Includes 20,345 shares held as co-trustee with Steven A. Markel for the benefit of Mr. Anthony F. Markel's children as to which he disclaims beneficial ownership. Includes 320,730 shares held by the Markel Family Limited Partnership. Gary Markel is the sole general partner of, and holder of 99.9% of the beneficial interests in, the Markel Family Limited Partnership. Includes 5,300 shares held as co-trustee with Anthony Markel under trusts created under wills. Includes 2,850 shares held as trustee for the benefit of his child.
- (5) Includes 86,726 shares held as co-trustee for the benefit of the Lewis C. Markel Residuary Trust, 24,245 shares held as co-trustee for the benefit of Mr. Kirshner's children, 20,345 shares held as co-trustee with Gary L. Markel for the benefit of Mr. Anthony F. Markel's children, 4,040 shares owned by Mr. Steven A. Markel's children and 18,000 shares held as trustee under a trust for non-employee directors under the Company's 1989 Stock Option Plan, as to all of which shares Mr. Markel disclaims beneficial ownership. Includes 2,600 shares held by a charitable remainder trust for which Mr. Markel is co-trustee and in which he and his wife retain a partial interest. Mr. Markel does not have investment discretion or voting control over any shares held in the trust and accordingly he disclaims beneficial ownership of the shares held by the trust.
- (6) Includes 10,000 shares represented by options granted under our 1986 Stock Option Plan which may be exercised within sixty days of September 30, 2001. Includes 3,500 shares held by Mr. Martin's wife as to which shares he disclaims beneficial ownership.

Gary Markel & Associates, Inc. and Gary Markel Surplus Lines Brokerage, Inc., entities owned by Gary L. Markel, place insurance with and on behalf of the Company.

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration process. Under the shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$650,000,000. In addition, the selling security holders may sell up to 235,000 of our common shares. This prospectus provides you with a general description of the securities we or the selling security holders may offer. Each time we or the selling security holders sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement, together with additional information described under the heading **Where You Can Find More Information About Markel**.

WHERE YOU CAN FIND MORE INFORMATION ABOUT MARKEL

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, which requires us to file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any document that we file at the Public Reference Room of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. You may also inspect our filings at the regional offices of the SEC or over the Internet at the SEC's home page at <http://www.sec.gov>.

Our common shares are listed on the New York Stock Exchange under the symbol **MKL**. Our reports, proxy statements and other information may also be read and copied at the New York Stock Exchange at 20 Broad Street, New York, NY 10005.

INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information and the information in the prospectus. We incorporate by reference the documents listed below and any future filings made by Markel Corporation with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities covered by this prospectus:

Markel Corporation, formerly Markel Holdings, Inc., SEC filings, file no. 001-15811:

1. Our Annual Report on Form 10-K for the year ended December 31, 2000;
2. Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2001 and June 30, 2001;
3. Our Current Reports on Form 8-K dated March 1, 2001, June 5, 2001, June 12, 2001, October 19, 2001 and October 31, 2001; and

Edgar Filing: MARKEL CORP - Form 424B5

4. The description of our capital stock contained in our Form 8-A filed on April 7, 2000 under Section 12(b) of the Securities Exchange Act of 1934.

Terra Nova (Bermuda) Holdings Ltd., acquired on March 24, 2000, SEC filings, file no. 1-13834:

1. Annual Report on Form 10-K for the year ended December 31, 2000.

You may request a copy of these filings at no cost, by writing or telephoning the office of Investor Relations, Markel Corporation, 4521 Highwoods Parkway, Glen Allen, Virginia 23060, telephone: (804) 747-0136, or e-mail Bruce Kay, Vice President of Investor Relations at bkay@markelcorp.com.

Table of Contents

LEGAL MATTERS

The validity of the securities in respect of which this prospectus is being delivered will be passed on for us by McGuireWoods LLP, Richmond, Virginia. Leslie A. Grandis, a partner in McGuireWoods LLP is Secretary and a member of the Board of Directors of our company. As of October 18, 2001, partners of McGuireWoods LLP owned 27,606 of our common shares, or less than 1% of our common shares outstanding on that date. Certain matters relating to the formation of the Markel Capital Trust II and the issuance of the trust preferred securities under Delaware law and the amended trust agreement will be passed on by Richards, Layton & Finger, special Delaware counsel to the Trusts and the Company. Any underwriters will be advised about other issues relating to any offering by their own legal counsel.

EXPERTS

The consolidated financial statements of Markel Corporation as of December 31, 2000 and December 31, 1999 and for each of the years in the three-year period ended December 31, 2000 and the consolidated financial statements of Terra Nova (Bermuda) Holdings, Ltd. as of December 31, 2000 and for the year then ended have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of that firm as experts in accounting and auditing.

The consolidated financial statements of Terra Nova (Bermuda) Holdings, Ltd. as of December 31, 1999 and for each of the years in the two-year period ended December 31, 1999 have been incorporated by reference herein in reliance upon the report of PricewaterhouseCoopers, independent certified public accountants, incorporated by reference herein, and upon the authority of that firm as experts in accounting and auditing.

Table of Contents

\$200,000,000

7.35% Senior Notes due 2034

PROSPECTUS SUPPLEMENT

Wachovia Securities

August 9, 2004
