

MARKEL CORP  
Form 11-K  
June 15, 2012

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

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2011

OR

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

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

Commission file number 001-15811

MARKEL CORPORATION RETIREMENT SAVINGS PLAN  
(Full title of the plan and the address of the plan, if different from that of the issuer named below)

MARKEL CORPORATION  
4521 Highwoods Parkway  
Glen Allen, Virginia 23060  
(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

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MARKEL CORPORATION RETIREMENT SAVINGS PLAN

Financial Statements and Supplemental Schedule

December 31, 2011 and 2010

(With Report of Independent Registered Public Accounting Firm Thereon)

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MARKEL CORPORATION RETIREMENT SAVINGS PLAN

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Report of Independent Registered Public Accounting Firm

The Board of Directors  
Markel Corporation

The Administrative Committee  
Markel Corporation Retirement Savings Plan:

We have audited the accompanying statements of assets available for benefits of the Markel Corporation Retirement Savings Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Richmond, Virginia  
June 15, 2012

MARKEL CORPORATION RETIREMENT SAVINGS PLAN

Statements of Assets Available for Benefits

December 31, 2011 and 2010

	2011	2010
Investments, at fair value:		
Mutual funds	\$157,829,766	\$145,480,946
Markel Corporation common stock	71,226,582	65,841,508
Total investments	229,056,348	211,322,454
Notes receivable from participants	2,108,616	1,899,538
Assets available for benefits	\$231,164,964	\$213,221,992

See accompanying notes to financial statements.

## MARKEL CORPORATION RETIREMENT SAVINGS PLAN

## Statements of Changes in Assets Available for Benefits

Years Ended December 31, 2011 and 2010

	2011	2010
Additions to assets attributed to:		
Net investment income:		
Net appreciation (depreciation) in fair value of investments	\$(727,498	) \$20,344,158
Interest and dividends	3,395,224	2,291,419
Total net investment income	2,667,726	22,635,577
Contributions:		
Employer	9,705,462	9,619,508
Participant	9,817,726	9,638,471
Rollover	953,286	724,738
Total contributions	20,476,474	19,982,717
Assets transferred in from Markel Aspen 401(k) Plan	12,309,174	—
Interest income on notes receivable from participants	87,910	100,275
Total additions	35,541,284	42,718,569
Deductions from assets attributed to participant distributions and withdrawals	(17,598,312	) (18,840,681 )
Net increase	17,942,972	23,877,888
Assets available for benefits:		
Beginning of year	213,221,992	189,344,104
End of year	\$231,164,964	\$213,221,992

See accompanying notes to financial statements.

MARKEL CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

a) Basis of Presentation

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

b) Use of Estimates

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

c) Investments

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

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

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

d) Notes Receivable from Participants

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

e) Income Taxes

The Plan is in receipt of a favorable determination letter dated August 12, 2002, which states that the Plan complies in form with the series of tax law changes collectively referred to as GUST. The plan administrator believes the Plan is designed and operated in compliance with the plan document and current law. As a result, the plan administrator believes that the Plan is qualified under Section 401(a) of the Internal Revenue Code and the related trust is tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

With the exception of contributions that are designated as Roth deferrals, participants have not been taxed on their salary reduction contributions, or investment earnings related to these contributions, when received by the trustee under the Plan. Ordinarily, participants are subject to tax on these amounts when they receive distributions or make withdrawals from the Plan. Roth deferrals represent after-tax contributions to the Plan. Ordinarily, participants are not subject to tax on Roth distributions.

U.S. GAAP requires management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011 and 2010 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to audits by taxing jurisdictions; however, there are currently no such audits in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

f) Payment of Benefits

Plan benefits and withdrawals are recorded when paid.



## MARKEL CORPORATION RETIREMENT SAVINGS PLAN

### Notes to Financial Statements

December 31, 2011 and 2010

#### g) Risks and Uncertainties

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

#### 2. Summary of Significant Provisions of the Plan

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

##### a) General

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

##### b) Asset Transfers

On November 1, 2011, the Markel Aspen 401(k) Plan was merged into the Plan and \$12,309,174 in assets were transferred to the Plan.

##### c) Contributions

Each year, the Company contributes to the Plan, subject to service requirements, an amount equal to 6% of each participant's compensation. The Company also contributes under the matching provision of the Plan an amount equal to 100% of the first 2% and 50% of the next 2% of compensation contributed by a participant, not to exceed 3% of the participant's compensation for any such year. Participants may contribute, in whole percentage increments, up to 50% of their annual compensation on a pre-tax basis up to a limit of \$16,500 in 2011. In addition, participants that reach age 50 before the close of the plan year can elect to make a "catch-up contribution" to the Plan for the plan year. The amount of the catch-up contribution is limited to \$5,500 for 2011. One-third of the employer's contributions is allocated to the Company stock fund; however, once the funds are invested in the Company stock fund, the participant has the ability to redirect these funds at their discretion. The allocation of participant contributions and the remaining two-thirds of the employer contributions to the various funds is based upon the individual participant's election. Effective January 1, 2011, participants may designate all or some of their contributions, including catch-up contributions, as Roth deferrals, which represent after-tax contributions to the Plan.

Newly hired employees are automatically enrolled in the Plan at a contribution rate of 4% of compensation. Employees hired after November 1, 2011 are also subject to a 1% annual increase in these contributions, up to a maximum contribution rate of 10%. Employees receive notice regarding these deemed elections before the automatic contributions begin and may opt out of the automatic contributions by either electing a different contribution percentage or electing not to contribute. If the employee does not direct their contributions, amounts will be invested

in a Fidelity Freedom K Fund based on the employee's age and target retirement date.

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

d) Participant Accounts

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

## MARKEL CORPORATION RETIREMENT SAVINGS PLAN

## Notes to Financial Statements

December 31, 2011 and 2010

## e) Vesting and Plan Termination

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

Years of Vesting Service	Vested Percentage	
Less than two years of service	0	%
Two years of service	20	%
Three years of service	50	%
Four or more years of service	100	%

If a participant was an active participant in the Markel Aspen 401(k) Plan as of January 1, 2011, matching Company contributions are fully vested regardless of years of service.

In accordance with the provisions of the Plan, any portion of the Company's contributions that have not vested at the time of a participant's withdrawal shall be forfeited by the participant and applied to reduce future Company contributions or pay administrative costs of the Plan. For the years ended December 31, 2011 and 2010, forfeited amounts totaled \$208,340 and \$181,034, respectively.

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

## f) Payment of Benefits

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

## g) Participant Loans

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

## h) Investment Options

Participants in the Plan are able to direct into which fund contributions are invested as discussed in note 2(c). The Plan offers 20 investment fund options - Markel Corporation common stock and 19 mutual funds. Participants are allowed to change investment options daily, except for the Company stock fund for which participants may change investment options on a real-time basis.



## MARKEL CORPORATION RETIREMENT SAVINGS PLAN

## Notes to Financial Statements

December 31, 2011 and 2010

## 3. Investments

The Plan's investments are held by a trustee-administered trust fund. The following tables present the fair value of investments at December 31, 2011 and 2010 that represent 5% or more of the Plan's assets at the end of the respective years.

	December 31, 2011	
	Number of Shares or Units	Fair Value
Markel Corporation common stock	171,766	\$71,226,582
Mutual funds:		
Fidelity Contrafund - Class K	270,734	18,250,166
Fidelity Puritan Fund - Class K	946,377	16,731,937
Fidelity Retirement Money Market Portfolio	16,342,467	16,342,467
Spartan U.S. Bond Index Fund - Institutional Class	1,314,303	15,482,489
Fidelity Magellan Fund - Class K	224,880	14,147,190
Fidelity Equity-Income Fund - Class K	300,806	12,420,287
Fidelity Freedom K 2020 Fund	962,716	11,966,566

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

During 2011 and 2010, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value by \$(727,498) and \$20,344,158, respectively, as follows:

	Years Ended December 31,	
	2011	2010
Markel Corporation common stock	\$6,361,446	\$6,643,208
Mutual funds	(7,088,944)	) 13,700,950
Net appreciation (depreciation) in fair value of investments	\$(727,498)	) \$20,344,158



## MARKEL CORPORATION RETIREMENT SAVINGS PLAN

## Notes to Financial Statements

December 31, 2011 and 2010

## 4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10, Fair Value Measurements and Disclosures, establishes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 - Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

In accordance with FASB ASC 820, the Plan determines fair value based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The Plan uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The following section describes the valuation methodologies used by the Plan to measure assets at fair value, including an indication of the level within the fair value hierarchy in which each asset is generally classified.

Mutual funds. Mutual funds are recorded at the quoted net asset values of shares held by the Plan at year end.

Markel Corporation common stock. Markel Corporation common stock is recorded at the closing price of shares held by the Plan on the New York Stock Exchange at year end.

The following tables present the balances of assets measured at fair value on a recurring basis by level within the fair value hierarchy.

	December 31, 2011			Total
	Level 1	Level 2	Level 3	
Investments, at fair value:				
Markel Corporation common stock	\$71,226,582	\$—	\$—	\$71,226,582
Mutual funds:				
Large cap funds	55,060,638	—	—	55,060,638
Mid/small cap funds	8,775,381	—	—	8,775,381
International funds	6,436,008	—	—	6,436,008

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Bond fund	15,482,489	—	—	15,482,489
Blended funds	55,732,783	—	—	55,732,783
Short-term investments	16,342,467	—	—	16,342,467
Total mutual funds	157,829,766	—	—	157,829,766
Total investments	\$229,056,348	\$—	\$—	\$229,056,348

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## MARKEL CORPORATION RETIREMENT SAVINGS PLAN

## Notes to Financial Statements

December 31, 2011 and 2010

	December 31, 2010			Total
	Level 1	Level 2	Level 3	
Investments, at fair value:				
Markel Corporation common stock	\$65,841,508	\$—	\$—	\$65,841,508
Mutual funds:				
Large cap funds	59,211,344	—	—	59,211,344
Mid/small cap funds	7,815,489	—	—	7,815,489
International funds	7,278,273	—	—	7,278,273
Bond fund	13,208,659	—	—	13,208,659
Blended funds	42,629,923	—	—	42,629,923
Short-term investments	15,337,258	—	—	15,337,258
Total mutual funds	145,480,946	—	—	145,480,946
Total investments	\$211,322,454	\$—	\$—	\$211,322,454

## 5. Administrative Expenses

Substantially all of the administrative expenses of the Plan are paid by the Company to the Trustee. Expenses incurred by the Company totaled \$50,075 and \$50,116 for the years ended December 31, 2011 and 2010, respectively.

## 6. Related-Party Transactions

As of December 31, 2011, the Plan owned 171,766 shares of Markel Corporation common stock, which had a cost basis of \$42,834,542 and a fair value of \$71,226,582. During 2011, 19,710 shares of Markel Corporation common stock were purchased at a total cost of \$7,784,032 and 23,710 shares, with a cost basis of \$6,411,651, were sold for \$9,394,887. On November 1, 2011, 1,642 shares of Markel Corporation common stock, with a fair value of \$634,483, were transferred into the Plan as a result of the Markel Aspen 401(k) Plan being merged into the Plan.

As of December 31, 2010, the Plan owned 174,124 shares of Markel Corporation common stock, which had a cost basis of \$40,827,678 and a fair value of \$65,841,508. During 2010, 17,889 shares of Markel Corporation common stock were purchased at a total cost of \$6,309,372 and 21,926 shares, with a cost basis of \$5,237,209, were sold for \$7,685,812.

Certain plan investments are shares of mutual funds with Fidelity Investments Institutional Operations Company, Inc., an affiliate of the Trustee, who is a party-in-interest.

## Supplemental Schedule

## MARKEL CORPORATION RETIREMENT SAVINGS PLAN

## Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2011

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Number of Shares or Units, Rate of Interest, Collateral, Par or Maturity Value	Current Value
Markel Corporation*	171,766 shares of Markel Corporation common stock, cost of \$42,834,542	\$71,226,582
<b>Mutual Funds:</b>		
Fidelity Investments*	270,734 shares of Fidelity Contrafund - Class K	18,250,166
Fidelity Investments*	946,377 shares of Fidelity Puritan Fund - Class K	16,731,937
Fidelity Investments*	16,342,467 shares of Fidelity Retirement Money Market Portfolio	16,342,467
Fidelity Investments*	1,314,303 shares of Spartan U.S. Bond Index Fund - Institutional Class	15,482,489
Fidelity Investments*	224,880 shares of Fidelity Magellan Fund - Class K	14,147,190
Fidelity Investments*	300,806 shares of Fidelity Equity-Income Fund - Class K	12,420,287
Fidelity Investments*	962,716 shares of Fidelity Freedom K 2020 Fund	11,966,566
Fidelity Investments*	798,765 shares of Fidelity Freedom K 2030 Fund	10,016,507
Fidelity Investments*	317,340 shares of Fidelity Stock Selector All Cap Fund - Class K	7,698,660
Fidelity Investments*	578,690 shares of Fidelity Freedom K 2040 Fund	7,274,133
Fidelity Investments*	216,243 shares of Fidelity Overseas Fund - Class K	5,710,973
Fidelity Investments*	464,745 shares of Fidelity Freedom K 2010 Fund	5,623,414
Fidelity Investments*	308,601 shares of Fidelity Stock Selector Small Cap Fund	5,564,070
Fidelity Investments*	90,561 shares of Spartan Extended Market Index Fund - Investor Class	3,211,311
Fidelity Investments*	57,189 shares of Spartan 500 Index Fund - Investor Class	2,544,335
Fidelity Investments*	186,276 shares of Fidelity Freedom K 2050 Fund	2,356,389
Fidelity Investments*	82,832 shares of Fidelity Freedom K Income Fund	935,999
Fidelity Investments*	72,427 shares of Fidelity Freedom K 2000 Fund	827,838
Fidelity Investments*	24,371 shares of Spartan International Index Fund - Investor Class	725,035
	Total mutual funds	157,829,766
Participant loans*	\$2,108,616 in notes receivable from participants with interest rates ranging from 4.25% to 10.25% and maturities ranging from one month to ten years	2,108,616
	Total investments	\$231,164,964

\*Party-in-interest

See accompanying report of independent registered public accounting firm.

SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the administrative committee members of the Plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

MARKEL CORPORATION RETIREMENT SAVINGS  
PLAN

By: /s/ Pamela J. Perrott  
Pamela J. Perrott  
Administrative Committee Member

Date: June 15, 2012

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Exhibit Index

Number Description

23 Consent of Independent Registered Public Accounting Firm