2020

To Our Business Partners,

Thank you

Thank you to our employees throughout Markel who stood tall and continued to serve our customers through circumstances we never imagined.

Thank you to our customers who continued to depend on us.

Thank you to our shareholders who provided the necessary capital to operate our business and fulfill our promises.

Thank all of you for maintaining a long term commitment to the enduring and timeless values we articulate in the Markel Style. Our explicit creed that embraces hard work, a zealous pursuit of excellence, keeping a sense of humor, and honesty and fairness, never goes out of style. We appreciate and embrace all who share our dream.

Our values provide the ultimate in sustainability. We believe that no matter what changes the future may hold, the world will always need an organization like Markel that is dedicated to serving the needs of others.

Serving others works forever. The mindset of service drives a durable flywheel that attracts people, capital, and businesses.

We look forward to continuing to earn your trust whether you are an employee, customer, or shareholder of Markel. Many of you are in all three categories and we thank you for each role that you play.

Markel

We continue in our quest to build one of the world's great companies. We define a great company as one with a culture and system of Win-Win-Win for our employees, our customers, and our shareholders. These values define our strategy and frame every tactical decision. They apply to any and every specific line of business.

We strive to make Markel a place where our employees win by pursuing fulfilling careers of service to our customers, continuously learning, and providing for their families and communities, in a dependable and sustainable fashion.

We strive to make Markel a place where our customers win by finding everything from protection against unexpected events and circumstances, to an array of products and services from food making equipment, fire protection, green plants, management consulting, housing, medical services, educational infrastructure, transportation, building

Financial Highlights

(in millions, except per share data)	**2020**	2019	2018	2017	2016	2015	2014	2013	2012
Total operating revenues	**$ 9,735**	9,526	6,841	6,062	5,612	5,370	5,134	4,323	3,000
Gross written premiums	**$ 9,267**	8,780	7,864	5,507	4,797	4,633	4,806	3,920	2,514
Combined ratio	**98 %**	94 %	98 %	105 %	92 %	89 %	95 %	97 %	97 %
Invested assets	**$24,927**	22,258	19,238	20,570	19,059	18,181	18,638	17,612	9,333
Invested assets per common share	**$1,808.50**	1,613.62	1,385.24	1,479.45	1,365.72	1,302.48	1,334.89	1,259.26	969.23
Net income (loss) to common shareholders	**$ 798**	1,790	(128)	395	456	583	321	281	253
Comprehensive income (loss) to shareholders	**$ 1,192**	2,094	(376)	1,175	667	233	936	459	504
Shareholders' equity	**$12,800**	11,071	9,081	9,504	8,461	7,834	7,595	6,674	3,889
Book value per common share	**$885.72**	802.59	653.85	683.55	606.30	561.23	543.96	477.16	403.85
5-Year CAGR in book value per common share[(1)]	**10 %**	8 %	7 %	11 %	11 %	11 %	14 %	17 %	9 %
Closing stock price per share	**$1,033.30**	1,143.17	1,038.05	1,139.13	904.50	883.35	682.84	580.35	433.42

(1) CAGR - compound annual growth rate

products, and multiple other necessary and desired items. Our underlying values guide us and apply to all of these products and services.

We strive to make Markel a place where our shareholders earn good returns on their capital and continue to want to provide us with it to make everything we do possible.

In 2020, we hit two-and-a-half out of our desired three wins. Our employees, and our customers, both continued to operate in a system that fulfilled the promises and goals we set.

While we earned positive comprehensive income and demonstrably increased the economic value of the company, our shareholders did not see those returns show up in the share price. That can be expected to happen from time to time due to overall investment market volatility. We acknowledge though that that has now been the case over the last five year period. And as you know, we consistently use five year time frames as a reasonable period to measure our performance. We know that delivering "two-and-a-half out of three" wins is not satisfactory. We can and must do better in order to regain traction and make progress like what we've experienced at Markel historically.

Over decades, Markel has accomplished the three part, Win-Win-Win goals. We are optimistic and confident that we also will do so in the future.

In the course of this letter, we hope to give you a full and candid report as to what is working well, and to discuss areas where we must improve. We hope that by the time you finish you will share our optimism about the discipline, hard choices, successes, and dedication we share to fully deliver on our commitment of excellence in each and every facet of Markel.

2020 Review

2020 stands out as a year unlike any other. We're sure you'll read these words in many annual reports and publications. While it may seem like there is an *unprecedented use of the word unprecedented* we believe it is fully justified this year.

This was truly a year unlike any other.

We started out in January brimming with optimism. We had just put the bow on 2019 where we reported a combined ratio of 94%. Those insurance results were a four point improvement over the prior year 98%, which was affected by above average levels of natural catastrophes. Our earned premiums grew from $4.7 billion to over $5 billion and underwriting profitability more than doubled from $114 million to $281 million.

In our investment operations, we had just finished a year when we earned 30% on our equity investment portfolio. That capped off a decade where we earned

2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	**20-Year CAGR(1)**
2,630	2,225	2,069	1,977	2,551	2,576	2,200	2,262	2,092	1,770	1,397	1,094	**12 %**
2,291	1,982	1,906	2,213	2,359	2,536	2,401	2,518	2,572	2,218	1,774	1,132	**11 %**
102 %	97 %	95 %	99 %	88 %	87 %	101 %	96 %	99 %	103 %	124 %	114 %	
8,728	8,224	7,849	6,893	7,775	7,524	6,588	6,317	5,350	4,314	3,591	3,136	**11 %**
907.20	846.24	799.34	702.34	780.84	752.80	672.34	641.49	543.31	438.79	365.70	427.79	**7 %**
142	267	202	(59)	406	393	148	165	123	75	(126)	(28)	
252	431	591	(403)	337	551	64	273	222	73	(77)	82	**14 %**
3,388	3,172	2,774	2,181	2,641	2,296	1,705	1,657	1,382	1,159	1,085	752	**15 %**
352.10	326.36	282.55	222.20	265.26	229.78	174.04	168.22	140.38	117.89	110.50	102.63	**11 %**
9 %	13 %	11 %	10 %	18 %	16 %	11 %	20 %	13 %	13 %	18 %	21 %	
414.67	378.13	340.00	299.00	491.10	480.10	317.05	364.00	253.51	205.50	179.65	181.00	**9 %**

annual returns of 15.2% on our equity portfolio in a disciplined, tax efficient, conservative, and low cost manner. Recurring investment income of interest and dividends reached a new record of $452 million, up from $434 million, despite unrelenting headwinds of lower and lower interest rates.

In our Ventures operations, we had posted record EBITDA of $264 million, up from $170 million, and revenues of $2.1 billion compared to $1.9 billion the previous year.

In our Insurance-Linked Securities and Program Services businesses, we made progress in continuing to grow and build our strategic Nephila and State National businesses. We continued to resolve the lingering issues associated with the CATCo operations. Profitability from these operations was constrained by costs associated with winding up and settling matters related to CATCo, which obscured the underlying progress evident in the ongoing businesses.

Our balance sheet was strong, and chock full of conservatively stated insurance loss reserves, high-quality fixed income investments to more than back those reserves, no near-term debt maturities, and appropriate levels of public equity investment exposure.

Boy, were we ready to bring it all home in 2020. Then, the pandemic ensued.

We did not see that coming.

The year did not unfold as we expected.

Fortunately, we've designed Markel to be *resilient.* While we in no way predicted the pandemic or the far reaching effects it would have on every aspect of our businesses and the daily lives of everyone on planet earth, we made forward progress this year despite the pandemic.

We will never be able to predict the future.

We can and must though prepare to adapt and adjust to whatever the future brings.

We believe that 2020 stands as a testament to our ability to do just that. We maintained an iron will along with a mindset of adaptability and endurance. We persisted and showed the ability to thrive despite unpredicted and unprecedented events. And we are very optimistic about our future.

We've spoken for years about the value of the Win-Win-Win architecture underlying your company.

We've worked tirelessly towards the goal of building one of the world's great companies. We define that goal as being a firm where we do things *for* our customers rather than *to* our customers, where our employees are better off for being with us, and where our shareholders are better off for having invested with us.

That is easy to say and enjoy when you've got tailwinds. 2019 was such a year and we set records across the organization. Comprehensive income in 2019 totaled $2.1 billion, which was more than the previous four years combined, and nearly double any single previous year.

A truer and more meaningful test of the success in building one of the world's great companies takes place when conditions toughen. 2020, the year of the pandemic, stands out as a punishingly brutal exam.

In the face of this test we've got positive results to report. Financially, we earned comprehensive income of $1.2 billion in 2020.

We reported record volumes in both our insurance and Ventures operations. We absorbed significant and unexpected insured losses in the first quarter as the pandemic started to take its toll. Then we endured and adapted.

In our insurance operations, we wrote a record amount of premium for the year and we earned underwriting profits starting in the second quarter and for the full year.

At Markel Ventures, we earned record revenues and EBITDA. Each of our companies faced challenges unlike any ever seen before. We needed to figure out how to keep our people healthy and safe, we needed to adapt to changing levels of what our customers wanted, we needed to figure out how to keep our supply chains functioning and effective, and multiple other existential challenges. Despite swirling and constantly changing conditions, our people endured and adapted and went on to set records. We are amazed and grateful for their dedication and accomplishments.

In our investment operations we earned a total return of 9.4% with equity investment returns of 15.2% and fixed income returns of 5.7%.

In our Insurance-Linked Securities and Program Services operations we reported revenues of $316 million and operating income of $5 million, which was net of $59 million of amortization expense and also reflects $51 million of expenses from CATCo's run off operations, the majority of which is non-recurring.

As always, we think it is critical to view our financial results over meaningful periods of time. Quarterly and annual results are subject to immense volatility from investment market swings and natural catastrophes. Over longer time frames, a more meaningful and accurate picture emerges. For many years, we've measured ourselves (and based our executive incentive compensation) on five year measurements. We think that creates better Win-Win-Win and sustainable alignment for everyone committed to Markel.

This table shows some key measurements over the last three five-year periods.

(dollars in millions, except per share data)	2016 - 2020	2011 - 2015	2006 - 2010
Total revenues	$ 37,776	$ 20,457	$ 11,398
Earned premiums	$ 23,488	$ 15,023	$ 9,870
Underwriting profits	$ 633	$ 733	$ 709
ILS and Program Services revenues	$ 939	N/A	N/A
ILS and Program Services operating loss	$ (54)	N/A	N/A
Markel Ventures revenues	$ 9,311	$ 3,379	$ 456
Markel Ventures EBITDA	$ 1,167	$ 354	$ 45
Net investment income	$ 2,283	$ 1,580	$ 1,391
Comprehensive income to shareholders	$ 4,752	$ 2,384	$ 1,507
Closing stock price per share, at end of period	$1,033.30	$ 883.35	$ 378.13

These five-year views show that we've experienced dramatic growth in the size and scale of Markel. Unfortunately, our underwriting profitability moved lower during the most recent five-year period. The combination of record levels of natural catastrophes, poor results in our reinsurance operations, and COVID-19 losses weighed on our underwriting profitability.

Investment income grew in both time frames, but at a slowing rate due to the steady, ongoing persistence of lower interest rates. Almost any time a fixed income investment matured or was sold, we had to replace it with something offering a lower yield. Dividends on our equity portfolio grew which counterbalanced some of the declines in interest rates.

Markel Ventures started as a dream in 2005 and grew to become a meaningful contributor to revenues and earnings over the 15 years represented in this table.

We began our strategic initiative in Insurance-Linked Securities and Program Services during 2015 and the most recent five-year time frame shows the beginning era of what we expect will become a more meaningful component of Markel over the next several years. While our initial foray into ILS proved expensive and difficult, we believe that we've learned some important and critical lessons. Ongoing technological and environmental change in insurance markets continues to gallop ahead. ILS and Program Services should serve to keep Markel as a leader, guiding these changes and to protect us against the forces of disruption in the insurance marketplace.

We've designed Markel to be a resilient and adaptable company with "Three Engines" of Insurance, Investments, and Markel Ventures, that can power us forward. In any given year, one engine may be under pressure but the other two can provide positive thrust. In 2020, all three engines contributed. Over multi-year periods, such as the five-year time frame we consistently use to measure and judge ourselves, all three engines dependably propelled us forward.

Engine #1 - Insurance

Our first engine, and the heritage of Markel, is Insurance. In the Insurance engine, our insurance and reinsurance operations faced unprecedented challenges in the initial stages of the pandemic. As a vivid example, event cancellation insurance stands out as one product line where we experienced large and unprecedented losses. Normal underwriting disciplines of diversifying risk guided our approach in writing event cancellation as it does in all of our business lines. We, and our underwriters, fully believed that writing policies for things like a tennis tournament in England, the Olympics in Japan, a music festival in Tennessee, a movie festival in Colorado, a hot air balloon race in New Mexico, a wine festival in California, a beer festival in Germany, weddings, parades, concerts, ball games, and so on and so on, would fit the definition of a portfolio of diverse and uncorrelated risks.

In the case of the pandemic, all of those risks correlated to each other. Spreading things out geographically and throughout the year didn't work. All events were cancelled and significant losses occurred on policies for these events. We did not foresee that possibility.

Fortunately, those losses are finite. We are not writing event cancellation at this point and we are near the end of when covered events from previously written policies can take place.

Business interruption coverages also loom large as a consequence of COVID-19. We have provided for the losses we expect from business interruption. We did so promptly as the pandemic unfolded and recognized the losses we believed we would face. Those reserves were calculated amidst conditions of uncertainty and necessarily reflect estimates. As 2020 progressed we gained additional data and we added to our estimates. As always, we did so in order to provide reserves which reflected our best estimate of our ultimate exposures.

We established COVID-19 related losses of $325 million in the first quarter of 2020 and additional COVID-19 losses of $33 million subsequently in 2020. As is always the case, we attempted to recognize all of the losses we expect to the best of our ability. Though we do not anticipate further COVID-19 losses, we cannot predict with certainty the extent to which legal decisions and other factors may impact the amount and nature of insured liabilities for pandemic related circumstances.

Despite the surprise and dramatic insured losses at the beginning of 2020, we managed to report a modest underwriting profit for the year with a combined ratio of 98%. While 98% falls short of our goals and does not produce appropriate returns on your capital, we are glad to be able to report underwriting profitability despite and in light of the unprecedented adverse conditions we faced in 2020.

As we stated earlier in this letter, we were very optimistic about reporting better insurance combined ratio results to you when we started the year. Along with the pandemic, we had more hurricanes than hurricane names in 2020, above average wildfires, and a derecho. We hate making excuses but we believe that we've made meaningful progress in improving the fundamental performance of our insurance operations and we're disappointed at how that progress is obscured by COVID-19 and above-average levels of natural catastrophes.

The headlines of COVID-19 and hurricanes fall outside our control. We cannot predict when or if such forces will strike again.

We can however act on things within our control. We have, and we continue to do so. Here is a small sample of actions we've taken, which should improve our financial results going forward.

First, we've significantly reduced writing insurance and reinsurance with exposures to natural catastrophes. We do not know to what extent climate change and other factors have caused insured losses to increase in recent years. Neither can we predict with reasonable assurance what might happen in 2021 and beyond. As such, we've reduced our exposures to natural catastrophe-related losses overall. Should such losses strike in 2021 our losses will be less. We've not earned adequate returns for the risk and capital charges associated with large property related exposures for several years. We will redeploy the capital previously allocated to this business to higher and better uses within Markel.

Second, we've focused on increased efficiency and lower costs throughout our insurance operations. We continue to invest in technology to simplify the process of underwriting, marketing, distributing, and administering every facet of an insurance transaction. We've reduced our expense ratio from 37.7% in 2018 to 36.0% in 2020 and we are working towards, and confident of, further improvement in 2021.

Third, we've considered what it would look like to almost double the size of our insurance operations. We want to grow to $10 billion of annual insurance premiums in five years and earn $1 billion of annual underwriting profit while doing so. We've adopted this "10-5-1" target as an overarching goal to guide and discipline decision making within our insurance operations.

We are excited about this goal and believe it speaks to several important dimensions. The $10 billion speaks to growth. In 2020 we wrote $6 billion of insurance premium. We believe that growing the top line demonstrates that we are serving our customers with insurance coverages they want and need. Insurance rates continue to increase to reflect the severe losses experienced by the industry across multiple lines as well as the pervasive environment of lower interest rates.

We expect to achieve this goal largely through organic growth of our existing operations rather than through acquisitions.

The "5" speaks to a time frame. We want to reach the $10 billion of annual insurance premiums in the next five years. The "5" provides a sense of urgency. Technology continues to drive change at a faster and faster pace. We can and must make decisions faster. By committing to growth *and* attaching a time frame, we're holding ourselves responsible in a measurable way to acting *now* rather than later.

The "1" speaks to $1 billion of annual underwriting profits. Growth without profitability means we're doing something wrong. It also consumes capital since regulators and rating agencies require us to post capital to write insurance business. We've felt the effects of growth without sufficient profitability in the last few years and we're committing to the discipline of focus on the bottom line. We simply cannot provide our customers with quality long term financial promises if we do not earn sufficient profits all along the way to pay claims and provide appropriate returns at the same time.

In addition to the "10-5-1" goals from our insurance operations, we expect meaningful profitability from our reinsurance operations, as well as our Insurance-Linked Securities and Program Services operations beginning in 2021. We look forward to reporting positive results and demonstrating the wisdom of these initiatives.

Engine #2 - Investments

In 2020 we earned total investment returns of 9.4% comprised of 15.2% on our equity portfolio and 5.7% on our fixed income portfolio.

That sentence doesn't begin to address the tumult of the 2020 investment markets. The epic volatility and uncertainty all investors faced, and continue to face, appropriately dominates all investment thought (or at least it should in our opinion, we're not sure if it actually does).

Amidst the unprecedented conditions, we believe in keeping our eyes on the North Star while navigating amidst conditions of uncertainty. The North Star guides investment decisions at Markel both for asset allocation and specific security selection.

For example, we first decide to allocate capital either to fixed income or equity investments. Following the North Star, we first allocate enough capital into fixed income holdings to more than match our expected ultimate liability from insurance reserves.

We do this for two reasons. The first and most important is to make sure that when our customer, a policyholder, experiences a loss, we have the money to pay the claim. This is our foremost promise about the future, and we operate with a sense of stewardship and trust when it comes to honoring this promise. Consequently, we're not gunning for the highest returns with these funds; we are striving to provide as much assurance as possible that we will always have the means at hand to settle claims as they come due.

The second reason to invest in fixed income securities is to earn interest income. Interest rates continue to decline beyond any level ever seen in history. There has been no time on planet earth like today where interest rates in many locations are negative. When they're not in negative territory, they still seem too low to us to compensate us for the irreducible credit, currency, and inflation risks.

Our portfolio consists of sovereign credits with taxing authority at the federal, state, or municipal level, and a variety of high credit quality, first mortgage liens on daily use real estate, and a small component of high quality corporate bonds.

Yields continue to diminish in the face of lower overall interest rates. We are price takers, not price makers, in this arena and as such, we simply have to accept the rates on offer.

We believe that taking *more* credit or interest rate risk for *less* return is unwise. While we've sacrificed some incremental yield from taking this view in the last several years, we simply can't in good faith commit your capital or the funds we hold on behalf of our policyholders to riskier propositions. We think we will be well served by maintaining the capital integrity and storm worthiness of our balance sheet despite the temptation to pick up some yield by venturing further astray.

This stance will strike some as unnecessarily conservative until the day it doesn't. Just as is the case with insurance underwriting decisions, we need to balance potential rewards against potential risks. The risk/reward ratios in credit markets don't look good to us.

At the same time, we are in a period of rapid growth in our insurance operations. While premiums are growing faster than underwriting profits we think it's best to post capital in the form of high quality and shorter term fixed income securities, which keeps regulators and rating agencies happy.

When our expected underwriting profitability develops from this growth, we will have greater degrees of flexibility and latitude to invest more broadly. Underwriting profits create capital that we can then invest in higher return equity securities of all stripes.

In our equity portfolio we earned a total return of 15.2%. Our North Star in making equity investment decisions is to follow our longstanding four part discipline. Those four parts are, one, to invest in businesses with good returns on capital that don't use too much leverage, two, with management teams with equal measures of talent and integrity, three, at companies with reinvestment opportunities and capital discipline, and four, at fair prices.

We've followed that North Star consistently through the entire history of Markel since our initial public offering in 1986 and it serves us well. We believe in the timelessness of the system. The names and businesses that meet this test continue to change, but the test remains the same.

Following that discipline caused us to reduce our equity exposures in the first part of the year. In light of the outbreak of the pandemic we re-underwrote every security that we owned (equities and fixed income) and made decisions based on our sense that the fundamental economic environment had experienced a seismic shift.

We also faced near term concerns about our underwriting profitability and a strong desire to carry the strongest balance sheet we could into an environment where we thought there would be opportunity to write well priced insurance business.

Tactically, that decision can be criticized as it caused us to reduce our equity exposure by approximately 20% at lower prices than prevailed at the end of 2020. We understand and share the frustration of that decision at that moment, but we would make the same decision again faced with the same facts and uncertainties. We made that decision to first protect the company in the face of such uncertainty and in order to maximize our ability to continue to write insurance premiums at favorable rates. We believe it is the best and highest use for capital in this environment and we look forward to reporting favorable results to you in the next few years that stem in part from these actions.

Engine #3 - Markel Ventures

The people of Markel Ventures produced a spectacular year. Revenues and EBITDA set new records of $2.8 billion and $367 million respectively.

As we stated throughout the year, we stand amazed and grateful at this accomplishment. Over the last 15 years we've brought together an amazing group of companies led by talented and dedicated managers. As a group they embody the values we seek. Their performance in 2020 amidst conditions of unprecedented adversity stands as nothing less than stunning.

2019 had been a record year and we were optimistic but slightly cautious as we entered 2020. Several of our businesses are quite cyclical and highly sensitive to general economic conditions such as auto sales, freight volumes, and capital equipment budgets. We were cautious entering 2020 because we had enjoyed a spectacular run of strong economic growth and favorable conditions for several years. They call them cycles for a reason and we fully anticipated a modest downturn as a strong possibility.

In March, we threw all of our budgets and plans out the window. In many cases, business simply stopped. Orders were cancelled and customers froze. No one knew what the next day would bring.

Fortunately, our managers responded in spectacular fashion. They adjusted and adapted every single component of their organizations. They changed workplace conditions to provide for the health and safety of their employees, they figured out how to operate with damaged supply chains and unsteady vendors, they adjusted their costs, and they made countless other decisions on a continuous basis under conditions of epic uncertainty.

Fortunately, the general economy also found some footing. Everyone in the world adapted to new conditions and governments and authorities responded with unprecedented financial and fiscal injections to keep economies from imploding.

In the middle of the storm in April, Lansing Building Products joined Markel. Our relationship with Lansing dates back many years. Formal discussions about them joining Markel began in 2019. Lansing embodies the values and culture we seek. For Lansing, Markel represents a long term home for a third generation family business. We can help them to grow and provide assurance to the people of that organization that they will be working for a stable and dependable organization. Their charge is to build their business profitably and serve their customers. As part of Markel, they will not be highly leveraged or operate with a sometimes conflicting goal of seeking an "exit" as would often be the case under alternative forms of ownership.

For Markel, Lansing provides another venue and forum for us to build resiliency and dependability. Building products should be on a somewhat different cycle than insurance, green plants, medical services, or management consulting and as such, the diversification should add stability to our overall cash flows and economic performance.

In total, over the last 15 years we've cumulatively invested approximately $2.7 billion to acquire the businesses that comprise the Ventures group. So far, those companies have dividended back, and built up internal cash balances, of approximately $1.2 billion.

In a very over simplified notion, we have a net investment of $1.5 billion in a collection of businesses that earned $367 million in EBITDA in 2020 amidst tough economic conditions.

We think any reasonable analyst would conclude these businesses are worth far more than what we paid and that they contribute to the resiliency and value of the Markel Corporation in tangible and intangible ways.

Capital Management

For many years we've followed a four step triage on how we allocate capital. Our first priority is to support our existing businesses. We prefer to fund people who are already part of Markel and who have already proven their skills and abilities.

Our second priority for capital is to acquire new businesses to expand the scale and resiliency of Markel.

Our third priority for capital is to acquire publicly traded equity securities.

Our fourth priority is to repurchase our own stock when we believe our shares to be trading below a reasonable estimate of intrinsic value.

In the first part of 2020, we were allocating capital to all four buckets. Our insurance businesses were experiencing strong growth. We funded that growth with short term and high quality fixed income securities. This is the type of capital that rating agencies and regulators prefer.

We also purchased Lansing Building Products. Lansing embodies everything we look for in a business. It meets each and every one of our four part tests. The business enjoys a demonstrated record of earning good returns on capital and not using too much leverage to do it. The management of Lansing embodies the values that guide Markel and they will add to the cultural fabric of your company in positive ways. Additionally, we believe that Lansing can continue to grow within the building products industry and the transaction took place at a fair price.

As the pandemic developed and business conditions changed, we halted purchasing additional equity securities. In fact, we liquidated a portion of our portfolio to help fund the opportunities we saw in our existing insurance business as well as to complete the Lansing acquisition. We also stopped repurchasing our shares.

In May we raised $600 million of preferred equity to increase the conservatism and heft of our balance sheet and to help fund our growth opportunities. The preferred stock is callable beginning in 2025.

In 2021, we will follow the same capital allocation triage. We've acted decisively to increase profitability throughout Markel and we're optimistic that we'll be marching through the four part list as we have in the past. In fact, by year end 2020 we resumed modest purchases of equity securities in our publicly traded equity portfolio.

The Future

2020 brought challenges we never imagined. Despite those challenges, we persisted and we adapted. We provided for our customers and took care of our people to the best of our ability. We reported substantial profits and re-thought and re-engineered each and every aspect of what takes place at Markel.

In larger and smaller doses, that describes what we've done for decades. No decade ever ended up at the same place or the same way it started. Accordingly we changed, and grew, and prospered all the way along. We're incredibly optimistic about our resilience, the power of our values based system, our flexibility, and our unending dedication to serving our customers, our employees, and our shareholders. Win-Win-Win works and it represents the ultimate in sustainability.

As we wrote in 1986, at the time of our initial public offering, in the words of the Markel Style, "We believe in hard work and a zealous pursuit of excellence while keeping a sense of humor. Our creed is honesty and fairness in all our dealings."

Those words stand as a timeless formula that will drive our results in the future just as they have in the past.

This company started as a dream.

The dream lives on.

Thank you.

Thomas S. Gayner, *Co-Chief Executive Officer*

Richard R. Whitt, III, *Co-Chief Executive Officer*