

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

FORM 10-Q

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2024

or

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number: 001-15811

MARKEL GROUP INC.
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

54-1959284
(I.R.S. Employer
Identification No.)

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, no par value	MKL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of the registrant's common stock outstanding at July 24, 2024: 12,945,385

Markel Group Inc.
Form 10-Q
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
**MARKEL GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	June 30, 2024 (unaudited)	December 31, 2023
<i>(dollars in thousands)</i>		
ASSETS		
Investments, at estimated fair value:		
Fixed maturity securities, available-for-sale (amortized cost of \$15,721,795 in 2024 and \$14,932,286 in 2023)	\$ 14,977,514	\$ 14,372,732
Equity securities (cost of \$3,707,792 in 2024 and \$3,497,071 in 2023)	10,592,844	9,577,871
Short-term investments, available-for-sale (estimated fair value approximates cost)	2,787,758	2,571,382
Total Investments	28,358,116	26,521,985
Cash and cash equivalents	3,510,558	3,747,060
Restricted cash and cash equivalents	705,444	584,974
Receivables	4,227,835	3,455,306
Reinsurance recoverables	9,756,660	9,235,501
Deferred policy acquisition costs	1,001,435	931,344
Prepaid reinsurance premiums	3,672,976	2,365,243
Goodwill	2,738,147	2,624,749
Intangible assets	1,552,843	1,588,684
Other assets	4,185,607	3,990,864
Total Assets	\$ 59,709,621	\$ 55,045,710
LIABILITIES AND EQUITY		
Unpaid losses and loss adjustment expenses	\$ 24,646,618	\$ 23,483,321
Life and annuity benefits	594,749	649,054
Unearned premiums	8,243,981	6,642,426
Payables to insurance and reinsurance companies	1,418,983	1,037,722
Senior long-term debt and other debt (estimated fair value of \$3,877,000 in 2024 and \$3,353,000 in 2023)	4,399,876	3,779,796
Other liabilities	3,980,342	3,927,498
Total Liabilities	43,284,549	39,519,817
Redeemable noncontrolling interests	476,518	469,685
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	591,891	591,891
Common stock	3,546,661	3,517,146
Retained earnings	12,329,827	11,353,101
Accumulated other comprehensive loss	(618,355)	(478,210)
Total Shareholders' Equity	15,850,024	14,983,928
Noncontrolling interests	98,530	72,280
Total Equity	15,948,554	15,056,208
Total Liabilities and Equity	\$ 59,709,621	\$ 55,045,710

See accompanying notes to consolidated financial statements.

MARKEL GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>(dollars in thousands, except per share data)</i>				
OPERATING REVENUES				
Earned premiums	\$ 2,077,099	\$ 2,031,143	\$ 4,204,726	\$ 3,998,847
Net investment income	223,061	169,693	441,330	329,028
Net investment gains (losses)	(130,017)	484,527	772,264	857,090
Products revenues	847,219	784,882	1,448,059	1,362,808
Services and other revenues	684,481	672,291	1,302,119	1,238,152
Total Operating Revenues	3,701,843	4,142,536	8,168,498	7,785,925
OPERATING EXPENSES				
Losses and loss adjustment expenses	1,232,575	1,187,876	2,520,322	2,360,890
Underwriting, acquisition and insurance expenses	710,295	697,887	1,449,047	1,373,592
Products expenses	693,693	651,469	1,216,940	1,167,225
Services and other expenses	611,063	590,817	1,147,901	1,071,436
Amortization of acquired intangible assets	44,237	44,423	88,522	88,822
Total Operating Expenses	3,291,863	3,172,472	6,422,732	6,061,965
Operating Income	409,980	970,064	1,745,766	1,723,960
Interest expense	(52,597)	(47,221)	(98,145)	(96,659)
Foreign exchange gains (losses)	8,711	(14,976)	60,211	(47,904)
Income Before Income Taxes	366,094	907,867	1,707,832	1,579,397
Income tax expense	(76,244)	(191,937)	(368,800)	(325,668)
Net Income	289,850	715,930	1,339,032	1,253,729
Net income attributable to noncontrolling interests	(22,149)	(20,419)	(46,147)	(69,566)
Net Income to Shareholders	267,701	695,511	1,292,885	1,184,163
Preferred stock dividends	(18,000)	(18,000)	(18,000)	(18,000)
Net Income to Common Shareholders	\$ 249,701	\$ 677,511	\$ 1,274,885	\$ 1,166,163
OTHER COMPREHENSIVE INCOME (LOSS)				
Change in net unrealized losses on available-for-sale investments, net of taxes:				
Net holding gains (losses) arising during the period	\$ (40,299)	\$ (134,991)	\$ (168,724)	\$ 26,215
Reclassification adjustments for net losses in net income	11,429	405	17,152	3,399
Change in net unrealized losses on available-for-sale investments, net of taxes	(28,870)	(134,586)	(151,572)	29,614
Change in discount rate for life and annuity benefits, net of taxes	5,973	3,224	12,391	(5,828)
Change in foreign currency translation adjustments, net of taxes	(455)	361	(930)	2,940
Change in net actuarial pension loss, net of taxes	19	18	39	36
Total Other Comprehensive Income (Loss)	(23,333)	(130,983)	(140,072)	26,762
Comprehensive Income	266,517	584,947	1,198,960	1,280,491
Comprehensive income attributable to noncontrolling interests	(22,161)	(20,398)	(46,219)	(69,577)
Comprehensive Income to Shareholders	\$ 244,356	\$ 564,549	\$ 1,152,741	\$ 1,210,914
NET INCOME PER COMMON SHARE				
Basic	\$ 18.66	\$ 50.20	\$ 94.40	\$ 87.50
Diluted	\$ 18.62	\$ 50.09	\$ 94.24	\$ 87.34

See accompanying notes to consolidated financial statements.

MARKEL GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Preferred Stock	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Quarter Ended June 30, 2024								
<i>(dollars in thousands)</i>								
March 31, 2024	\$ 591,891	\$ 3,547,912	\$ 12,184,925	\$ (595,009)	\$ 15,729,719	\$ 87,804	\$ 15,817,523	\$ 499,993
Net income			267,701	—	267,701	7,903	275,604	14,246
Other comprehensive income (loss)			—	(23,345)	(23,345)	—	(23,345)	12
Comprehensive income					244,356	7,903	252,259	14,258
Repurchase of common stock	—	—	(99,310)	—	(99,310)	—	(99,310)	—
Preferred stock dividends	—	—	(18,000)	—	(18,000)	—	(18,000)	—
Equity awards expensed	—	8,345	—	—	8,345	—	8,345	—
Adjustment of redeemable noncontrolling interests	—	—	(6,100)	—	(6,100)	—	(6,100)	6,100
Purchase of noncontrolling interests	—	(9,596)	—	—	(9,596)	—	(9,596)	(36,896)
Other	—	—	611	(1)	610	2,823	3,433	(6,937)
June 30, 2024	<u>\$ 591,891</u>	<u>\$ 3,546,661</u>	<u>\$ 12,329,827</u>	<u>\$ (618,355)</u>	<u>\$ 15,850,024</u>	<u>\$ 98,530</u>	<u>\$ 15,948,554</u>	<u>\$ 476,518</u>
Six Months Ended June 30, 2024								
<i>(dollars in thousands)</i>								
December 31, 2023	\$ 591,891	\$ 3,517,146	\$ 11,353,101	\$ (478,210)	\$ 14,983,928	\$ 72,280	\$ 15,056,208	\$ 469,685
Net income			1,292,885	—	1,292,885	23,427	1,316,312	22,720
Other comprehensive income (loss)			—	(140,144)	(140,144)	—	(140,144)	72
Comprehensive income					1,152,741	23,427	1,176,168	22,792
Repurchase of common stock	—	—	(260,192)	—	(260,192)	—	(260,192)	—
Preferred stock dividends	—	—	(18,000)	—	(18,000)	—	(18,000)	—
Equity awards expensed	—	39,111	—	—	39,111	—	39,111	—
Adjustment of redeemable noncontrolling interests	—	—	(38,702)	—	(38,702)	—	(38,702)	38,702
Purchase of noncontrolling interests	—	(9,596)	—	—	(9,596)	—	(9,596)	(36,896)
Other	—	—	735	(1)	734	2,823	3,557	(17,765)
June 30, 2024	<u>\$ 591,891</u>	<u>\$ 3,546,661</u>	<u>\$ 12,329,827</u>	<u>\$ (618,355)</u>	<u>\$ 15,850,024</u>	<u>\$ 98,530</u>	<u>\$ 15,948,554</u>	<u>\$ 476,518</u>

See accompanying notes to consolidated financial statements.

MARKEL GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Preferred Stock	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Quarter Ended June 30, 2023								
<i>(dollars in thousands)</i>								
March 31, 2023	\$ 591,891	\$ 3,506,972	\$ 10,255,401	\$ (609,781)	\$ 13,744,483	\$ 44,838	\$ 13,789,321	\$ 491,883
Net income			695,511	—	695,511	8,745	704,256	11,674
Other comprehensive loss			—	(130,962)	(130,962)	—	(130,962)	(21)
Comprehensive income					564,549	8,745	573,294	11,653
Repurchase of common stock	—	—	(105,197)	—	(105,197)	—	(105,197)	—
Preferred stock dividends	—	—	(18,000)	—	(18,000)	—	(18,000)	—
Equity awards expensed	—	4,830	—	—	4,830	—	4,830	—
Adjustment of redeemable noncontrolling interests	—	—	(5,758)	—	(5,758)	—	(5,758)	5,758
Purchase of noncontrolling interest	—	3,931	—	—	3,931	—	3,931	(36,431)
Other	—	(371)	(2,968)	—	(3,339)	(1)	(3,340)	(8,421)
June 30, 2023	<u>\$ 591,891</u>	<u>\$ 3,515,362</u>	<u>\$ 10,818,989</u>	<u>\$ (740,743)</u>	<u>\$ 14,185,499</u>	<u>\$ 53,582</u>	<u>\$ 14,239,081</u>	<u>\$ 464,442</u>
Six Months Ended June 30, 2023								
<i>(dollars in thousands)</i>								
December 31, 2022	\$ 591,891	\$ 3,493,893	\$ 9,832,804	\$ (767,494)	\$ 13,151,094	\$ 62,791	\$ 13,213,885	\$ 523,154
Net income			1,184,163	—	1,184,163	53,438	1,237,601	16,128
Other comprehensive income			—	26,751	26,751	—	26,751	11
Comprehensive income					1,210,914	53,438	1,264,352	16,139
Repurchase of common stock	—	—	(187,161)	—	(187,161)	—	(187,161)	—
Preferred stock dividends	—	—	(18,000)	—	(18,000)	—	(18,000)	—
Equity awards expensed	—	26,528	—	—	26,528	—	26,528	—
Adjustment of redeemable noncontrolling interests	—	—	7,715	—	7,715	—	7,715	(7,715)
Purchase of noncontrolling interest	—	(4,688)	—	—	(4,688)	—	(4,688)	(49,477)
Redemption of Markel CATCo Re noncontrolling interests	—	—	—	—	—	(62,646)	(62,646)	—
Other	—	(371)	(532)	—	(903)	(1)	(904)	(17,659)
June 30, 2023	<u>\$ 591,891</u>	<u>\$ 3,515,362</u>	<u>\$ 10,818,989</u>	<u>\$ (740,743)</u>	<u>\$ 14,185,499</u>	<u>\$ 53,582</u>	<u>\$ 14,239,081</u>	<u>\$ 464,442</u>

See accompanying notes to consolidated financial statements.

MARKEL GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
<i>(dollars in thousands)</i>		
OPERATING ACTIVITIES		
Net income	\$ 1,339,032	\$ 1,253,729
Adjustments to reconcile net income to net cash provided by operating activities	(129,753)	(245,108)
Net Cash Provided By Operating Activities	1,209,279	1,008,621
INVESTING ACTIVITIES		
Proceeds from sales, maturities, calls and prepayments of fixed maturity securities	1,184,109	993,834
Cost of fixed maturity securities purchased	(1,969,203)	(1,771,986)
Proceeds from sales of equity securities	64,905	138,702
Cost of equity securities purchased	(288,247)	(293,322)
Net change in short-term investments	(161,306)	675,339
Cost of other investments purchased	(66,207)	(83,490)
Additions to property and equipment	(129,148)	(79,443)
Acquisitions, net of cash acquired	(207,231)	—
Proceeds from sales of subsidiaries, net	—	41,302
Other	14,039	5,503
Net Cash Used By Investing Activities	(1,558,289)	(373,561)
FINANCING ACTIVITIES		
Additions to senior long-term debt and other debt	1,101,516	356,085
Repayment of senior long-term debt and other debt	(493,786)	(646,264)
Repurchases of common stock	(260,192)	(187,161)
Dividends paid on preferred stock	(18,000)	(18,000)
Redemption of Markel CATCo Re noncontrolling interests	—	(88,997)
Purchase of noncontrolling interests	(46,492)	(21,665)
Other	(27,851)	(23,879)
Net Cash Provided (Used) By Financing Activities	255,195	(629,881)
Effect of foreign currency rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(22,217)	14,237
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	(116,032)	19,416
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	4,332,034	5,221,513
CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS AT END OF PERIOD	\$ 4,216,002	\$ 5,240,929

See accompanying notes to consolidated financial statements.

MARKEL GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Markel Group Inc. (Markel Group) is a holding company comprised of a diverse group of companies and investments with specialty insurance at its core. Through its wholly owned subsidiary, Markel Ventures, Inc. (Markel Ventures), Markel Group owns controlling interests in businesses that operate in a variety of industries. See note 2 for details regarding reportable segments.

a) Basis of Presentation. The consolidated balance sheet as of June 30, 2024 and the related consolidated statements of income and comprehensive income and changes in equity for the quarters and six months ended June 30, 2024 and 2023, and the condensed consolidated statements of cash flows for the six months ended June 30, 2024 and 2023 are unaudited. In the opinion of management, all adjustments necessary for fair presentation of such consolidated financial statements have been included. Such adjustments consist only of normal, recurring items. Interim results are not necessarily indicative of results of operations for the entire year. The consolidated balance sheet as of December 31, 2023 was derived from Markel Group's audited annual consolidated financial statements.

The accompanying consolidated financial statements have been prepared in accordance with United States (U.S.) generally accepted accounting principles (GAAP) and include the accounts of Markel Group and its consolidated subsidiaries, as well as variable interest entities (VIEs) that meet the requirements for consolidation (the Company). All significant intercompany balances and transactions have been eliminated in consolidation. The Company consolidates the results of its Markel Ventures subsidiaries on a one-month lag, with the exception of significant transactions or events that occur during the intervening period. Certain prior period amounts have been reclassified to conform to the current period presentation.

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results may differ materially from the estimates and assumptions used in preparing the consolidated financial statements.

The consolidated financial statements and notes are presented as permitted by Form 10-Q and do not contain certain information included in the Company's annual consolidated financial statements and notes. For a more complete description of the Company's business and accounting policies, readers are urged to review the Company's 2023 Annual Report on Form 10-K.

b) Recent Accounting Pronouncements

Accounting Standards Not Yet Adopted

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The standard requires public companies to, among other things: (1) disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss; (2) disclose, on an annual and interim basis, an amount for other segment expenses that are not separately disclosed as significant segment expenses and a description of its composition; (3) provide all annual disclosures about a reportable segment's profit or loss and assets currently required by Topic 280 in interim periods; and (4) disclose the title and position of the chief operating decision maker and an explanation of how the chief operating decision maker uses the reported measures of segment profit or loss in assessing segment performance and deciding how to allocate resources. ASU No. 2023-07 becomes effective for the Company in the fourth quarter of 2024 and will be applied using a retrospective approach that requires recasting of all prior periods presented. The standard only impacts required disclosures and will not impact the Company's financial position, results of operations or cash flows.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The standard requires public companies, on an annual basis, to provide enhanced rate reconciliation disclosures, including disclosure of specific categories and additional information for reconciling items that meet a quantitative threshold. The standard also requires public companies to, among other things, disaggregate income taxes paid by federal, state and foreign taxes. ASU No. 2023-09 becomes effective for the Company's 2025 Annual Report on Form 10-K. The standard only impacts required disclosures and will not impact the Company's financial position, results of operations or cash flows.

2. Segment Reporting Disclosures

The Company has four reportable segments: Insurance, Reinsurance, Investing and Markel Ventures.

The chief operating decision maker reviews the Company's ongoing underwriting operations on a global basis in the following two segments: Insurance and Reinsurance. The Insurance segment includes all direct business and facultative reinsurance placements written on a risk-bearing basis within the Company's underwriting operations. The Reinsurance segment includes all treaty reinsurance written on a risk-bearing basis within the Company's underwriting operations.

The Company's other insurance operations primarily consist of the results of the Company's program services and other fronting business and insurance-linked securities operations. Other insurance operations also include results for lines of business discontinued prior to, or in conjunction with, acquisitions, including development on asbestos and environmental loss reserves and results attributable to the run-off of life and annuity reinsurance business, which are monitored separately from the Company's ongoing underwriting operations. For purposes of segment reporting, none of these other insurance operations are considered to be reportable segments.

The Company's Investing segment includes all investing activities related to the Company's insurance operations, as well as investing activities at Markel Group. Invested assets managed through the Investing segment include the Company's portfolio of publicly traded fixed maturity and equity securities, as well as cash and short-term investments.

The Markel Ventures segment primarily consists of controlling interests in a diverse portfolio of businesses that operate in various industries. The Company's chief operating decision maker reviews and assesses Markel Ventures' performance in the aggregate, as a single operating segment.

Segment profit for all of the Company's segments is measured by operating income. Segment operating income excludes amortization of intangible assets arising from purchase accounting for acquisitions, which the chief operating decision maker does not consider in assessing the financial performance of, or allocating resources to, operating segments. Amortization of acquired intangible assets is considered a corporate expense because it is not a cost of operating the underlying businesses. For the Insurance and Reinsurance segments, segment operating income is typically consistent with underwriting profit, which the property and casualty insurance industry commonly defines as earned premiums net of losses and loss adjustment expenses and underwriting, acquisition and insurance expenses. Segment operating income for these two segments may also include other revenues and expenses that are not captured in underwriting profit.

Prior to 2024, the segment profitability metric for the Markel Ventures segment included amortization of acquired intangible assets. The new metric, as previously described, better aligns with how the chief operating decision maker reviews and assesses the performance of the Markel Ventures segment. Prior periods have been recast to conform to the current presentation. Management continues to evaluate the Company's segments as its business evolves and may further refine its segments and segment profitability metric.

For management reporting purposes, the Company allocates assets to its underwriting operations and to its Investing and Markel Ventures segments and certain of its other insurance operations, including its program services and other fronting business and insurance-linked securities business. Underwriting assets include assets attributed to the Company's Insurance and Reinsurance segments, discontinued underwriting lines of business, as well as assets that are not specifically allocated to the Company's other insurance operations. Generally, the Company manages its underwriting assets in the aggregate and therefore does not allocate assets to individual underwriting segments.

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

	Quarter Ended June 30, 2024						
<i>(dollars in thousands)</i>	Insurance	Reinsurance	Investing	Markel Ventures	Other insurance operations	Corporate	Consolidated
Earned premiums	\$ 1,813,003	\$ 264,630	\$ —	\$ —	\$ (534)	\$ —	\$ 2,077,099
Net investment income	—	—	220,454	2,607	—	—	223,061
Net investment losses	—	—	(130,017)	—	—	—	(130,017)
Products revenues	—	—	—	847,219	—	—	847,219
Services and other revenues	—	—	9,357	603,955	71,169	—	684,481
Total operating revenues	1,813,003	264,630	99,794	1,453,781	70,635	—	3,701,843
Losses and loss adjustment expenses:							
Current accident year	(1,191,955)	(184,895)	—	—	—	—	(1,376,850)
Prior accident years	146,603	(2,414)	—	—	86	—	144,275
Underwriting, acquisition and insurance expenses:							
Amortization of policy acquisition costs	(358,158)	(63,481)	—	—	—	—	(421,639)
Other underwriting expenses	(276,314)	(12,519)	—	—	177	—	(288,656)
Products expenses	—	—	—	(693,693)	—	—	(693,693)
Services and other expenses	—	—	—	(582,590)	(28,473)	—	(611,063)
Amortization of acquired intangible assets						(44,237)	(44,237)
Operating income	\$ 133,179	\$ 1,321	\$ 99,794	\$ 177,498	\$ 42,425	\$ (44,237)	\$ 409,980
Interest expense							(52,597)
Net foreign exchange gains							8,711
Income before income taxes							\$ 366,094

	Quarter Ended June 30, 2023						
<i>(dollars in thousands)</i>	Insurance	Reinsurance	Investing	Markel Ventures	Other insurance operations	Corporate	Consolidated
Earned premiums	\$ 1,763,186	\$ 268,288	\$ —	\$ —	\$ (331)	\$ —	\$ 2,031,143
Net investment income	—	—	168,927	766	—	—	169,693
Net investment gains	—	—	484,527	—	—	—	484,527
Products revenues	—	—	—	784,882	—	—	784,882
Services and other revenues	—	—	(6,378)	600,931	77,738	—	672,291
Total operating revenues	1,763,186	268,288	647,076	1,386,579	77,407	—	4,142,536
Losses and loss adjustment expenses:							
Current accident year	(1,079,450)	(176,317)	—	—	—	—	(1,255,767)
Prior accident years	61,562	7,974	—	—	(1,645)	—	67,891
Underwriting, acquisition and insurance expenses:							
Amortization of policy acquisition costs	(367,145)	(71,574)	—	—	—	—	(438,719)
Other underwriting expenses	(243,502)	(13,187)	—	—	(2,479)	—	(259,168)
Products expenses	—	—	—	(651,469)	—	—	(651,469)
Services and other expenses	—	—	—	(565,060)	(25,757)	—	(590,817)
Amortization of acquired intangible assets						(44,423)	(44,423)
Operating income	\$ 134,651	\$ 15,184	\$ 647,076	\$ 170,050	\$ 47,526	\$ (44,423)	\$ 970,064
Interest expense							(47,221)
Net foreign exchange losses							(14,976)
Income before income taxes							\$ 907,867

Six Months Ended June 30, 2024

<i>(dollars in thousands)</i>	Insurance	Reinsurance	Investing	Markel Ventures	Other insurance operations	Corporate	Consolidated
Earned premiums	\$ 3,687,464	\$ 517,969	\$ —	\$ —	\$ (707)	\$ —	\$ 4,204,726
Net investment income	—	—	437,658	3,672	—	—	441,330
Net investment gains	—	—	772,264	—	—	—	772,264
Products revenues	—	—	—	1,448,059	—	—	1,448,059
Services and other revenues	—	—	30,203	1,142,656	129,260	—	1,302,119
Total operating revenues	3,687,464	517,969	1,240,125	2,594,387	128,553	—	8,168,498
Losses and loss adjustment expenses:							
Current accident year	(2,393,510)	(348,110)	—	—	—	—	(2,741,620)
Prior accident years	243,784	(5,812)	—	—	(16,674)	—	221,298
Underwriting, acquisition and insurance expenses:							
Amortization of policy acquisition costs	(731,936)	(124,290)	—	—	—	—	(856,226)
Other underwriting expenses	(565,313)	(26,426)	—	—	(1,082)	—	(592,821)
Products expenses	—	—	—	(1,216,940)	—	—	(1,216,940)
Services and other expenses	—	—	—	(1,096,034)	(51,867)	—	(1,147,901)
Amortization of acquired intangible assets	—	—	—	—	—	(88,522)	(88,522)
Operating income	\$ 240,489	\$ 13,331	\$ 1,240,125	\$ 281,413	\$ 58,930	\$ (88,522)	\$ 1,745,766
Interest expense	—	—	—	—	—	—	(98,145)
Net foreign exchange gains	—	—	—	—	—	—	60,211
Income before income taxes	—	—	—	—	—	—	\$ 1,707,832

Six Months Ended June 30, 2023

<i>(dollars in thousands)</i>	Insurance	Reinsurance	Investing	Markel Ventures	Other insurance operations	Corporate	Consolidated
Earned premiums	\$ 3,474,110	\$ 525,522	\$ —	\$ —	\$ (785)	\$ —	\$ 3,998,847
Net investment income	—	—	327,521	1,507	—	—	329,028
Net investment gains	—	—	857,090	—	—	—	857,090
Products revenues	—	—	—	1,362,808	—	—	1,362,808
Services and other revenues	—	—	(8,758)	1,126,944	119,966	—	1,238,152
Total operating revenues	3,474,110	525,522	1,175,853	2,491,259	119,181	—	7,785,925
Losses and loss adjustment expenses:							
Current accident year	(2,156,996)	(343,102)	—	—	—	—	(2,500,098)
Prior accident years	124,190	16,678	—	—	(1,660)	—	139,208
Underwriting, acquisition and insurance expenses:							
Amortization of policy acquisition costs	(727,499)	(133,352)	—	—	—	—	(860,851)
Other underwriting expenses	(482,650)	(26,328)	—	—	(3,763)	—	(512,741)
Products expenses	—	—	—	(1,167,225)	—	—	(1,167,225)
Services and other expenses	—	—	—	(1,061,806)	(9,630)	—	(1,071,436)
Amortization of acquired intangible assets	—	—	—	—	—	(88,822)	(88,822)
Operating income	\$ 231,155	\$ 39,418	\$ 1,175,853	\$ 262,228	\$ 104,128	\$ (88,822)	\$ 1,723,960
Interest expense	—	—	—	—	—	—	(96,659)
Net foreign exchange losses	—	—	—	—	—	—	(47,904)
Income before income taxes	—	—	—	—	—	—	\$ 1,579,397

b) The following table reconciles segment assets to the Company's consolidated balance sheets.

<i>(dollars in thousands)</i>	June 30, 2024	December 31, 2023
Segment assets:		
Investing	\$ 32,394,504	\$ 30,542,282
Underwriting	10,965,840	9,897,689
Markel Ventures	5,839,116	5,519,542
Total segment assets	49,199,460	45,959,513
Other insurance operations	10,510,161	9,086,197
Total assets	\$ 59,709,621	\$ 55,045,710

3. Acquisition

Valor Environmental

In June 2024, the Company acquired 98% of Valor Environmental (Valor), an environmental services company providing erosion control and related services to commercial development sites and homebuilders throughout the United States. The Company has the option to acquire the remaining equity interests and the remaining equity holders have the option to sell their interests to the Company in the future. Total consideration for the transaction was \$156.4 million, all of which was cash. The purchase price was preliminarily allocated to the acquired assets and liabilities of Valor based on estimated fair value at the acquisition date. The Company recognized goodwill of \$107.5 million and intangible assets of \$49.0 million. Goodwill is primarily attributable to expected future earnings and cash flow potential of Valor, and it is not expected to be deductible for income tax purposes. Results attributable to Valor will be included in the Company's Markel Ventures segment beginning in the third quarter of 2024.

The Company has not completed the process of determining the fair value of the assets acquired and liabilities assumed. As a result, the fair value recorded for these items is a provisional estimate and is subject to adjustment. Once completed, any adjustments resulting from the valuations may impact the individual amounts recorded for assets acquired and liabilities assumed, as well as the residual goodwill.

4. Investments

a) The following tables summarize the Company's available-for-sale investments. Commercial and residential mortgage-backed securities include securities issued by U.S. government-sponsored enterprises and U.S. government agencies. The net unrealized holding gains (losses) in the tables below are presented before taxes.

<i>(dollars in thousands)</i>	June 30, 2024			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Fixed maturity securities:				
U.S. Treasury securities	\$ 4,600,441	\$ 7,250	\$ (83,294)	\$ 4,524,397
U.S. government-sponsored enterprises	1,347,637	3,567	(103,335)	1,247,869
Obligations of states, municipalities and political subdivisions	4,000,057	6,859	(214,490)	3,792,426
Foreign governments	1,984,422	1,915	(138,458)	1,847,879
Commercial mortgage-backed securities	2,325,529	3,433	(129,334)	2,199,628
Residential mortgage-backed securities	433,954	143	(21,647)	412,450
Corporate bonds	1,029,755	4,268	(81,158)	952,865
Total fixed maturity securities	15,721,795	27,435	(771,716)	14,977,514
Short-term investments	2,788,636	531	(1,409)	2,787,758
Investments, available-for-sale	\$ 18,510,431	\$ 27,966	\$ (773,125)	\$ 17,765,272

	December 31, 2023			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
<i>(dollars in thousands)</i>				
Fixed maturity securities:				
U.S. Treasury securities	\$ 3,811,293	\$ 35,824	\$ (62,404)	\$ 3,784,713
U.S. government-sponsored enterprises	1,225,426	7,292	(89,904)	1,142,814
Obligations of states, municipalities and political subdivisions	4,196,096	14,787	(181,578)	4,029,305
Foreign governments	1,858,845	21,450	(96,874)	1,783,421
Commercial mortgage-backed securities	2,371,406	8,605	(136,353)	2,243,658
Residential mortgage-backed securities	491,949	334	(21,861)	470,422
Corporate bonds	977,271	13,043	(71,915)	918,399
Total fixed maturity securities	14,932,286	101,335	(660,889)	14,372,732
Short-term investments	2,564,620	7,155	(393)	2,571,382
Investments, available-for-sale	\$ 17,496,906	\$ 108,490	\$ (661,282)	\$ 16,944,114

b) The following tables summarize gross unrealized investment losses on available-for-sale investments by the length of time that securities have continuously been in an unrealized loss position. Unrealized losses on available-for-sale investments are typically the result of declines in the fair value of the investments due to increases in interest rates.

	June 30, 2024					
	Less than 12 months		12 months or longer		Total	
	Estimated Fair Value	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Losses
<i>(dollars in thousands)</i>						
Fixed maturity securities:						
U.S. Treasury securities	\$ 1,851,326	\$ (13,288)	\$ 1,626,173	\$ (70,006)	\$ 3,477,499	\$ (83,294)
U.S. government-sponsored enterprises	175,742	(1,717)	842,483	(101,618)	1,018,225	(103,335)
Obligations of states, municipalities and political subdivisions	644,166	(6,282)	2,663,971	(208,208)	3,308,137	(214,490)
Foreign governments	421,032	(6,875)	1,019,706	(131,583)	1,440,738	(138,458)
Commercial mortgage-backed securities	246,505	(1,957)	1,706,126	(127,377)	1,952,631	(129,334)
Residential mortgage-backed securities	25,119	(603)	373,828	(21,044)	398,947	(21,647)
Corporate bonds	186,931	(3,853)	575,024	(77,305)	761,955	(81,158)
Total fixed maturity securities	3,550,821	(34,575)	8,807,311	(737,141)	12,358,132	(771,716)
Short-term investments	2,548,368	(1,409)	—	—	2,548,368	(1,409)
Total	\$ 6,099,189	\$ (35,984)	\$ 8,807,311	\$ (737,141)	\$ 14,906,500	\$ (773,125)

At June 30, 2024, the Company held 1,575 available-for-sale securities in an unrealized loss position with a total estimated fair value of \$14.9 billion and gross unrealized losses of \$773.1 million. Of these 1,575 securities, 1,223 securities had been in a continuous unrealized loss position for one year or longer and had a total estimated fair value of \$8.8 billion and gross unrealized losses of \$737.1 million.

	December 31, 2023					
	Less than 12 months		12 months or longer		Total	
	Estimated Fair Value	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Losses
<i>(dollars in thousands)</i>						
Fixed maturity securities:						
U.S. Treasury securities	\$ 317,027	\$ (2,147)	\$ 1,507,784	\$ (60,257)	\$ 1,824,811	\$ (62,404)
U.S. government-sponsored enterprises	145,143	(2,134)	723,537	(87,770)	868,680	(89,904)
Obligations of states, municipalities and political subdivisions	679,124	(3,881)	2,332,281	(177,697)	3,011,405	(181,578)
Foreign governments	49,056	(128)	1,113,616	(96,746)	1,162,672	(96,874)
Commercial mortgage-backed securities	169,557	(1,792)	1,790,637	(134,561)	1,960,194	(136,353)
Residential mortgage-backed securities	20,420	(80)	431,705	(21,781)	452,125	(21,861)
Corporate bonds	34,340	(266)	615,501	(71,649)	649,841	(71,915)
Total fixed maturity securities	1,414,667	(10,428)	8,515,061	(650,461)	9,929,728	(660,889)
Short-term investments	52,601	(393)	—	—	52,601	(393)
Total	\$ 1,467,268	\$ (10,821)	\$ 8,515,061	\$ (650,461)	\$ 9,982,329	\$ (661,282)

At December 31, 2023, the Company held 1,386 available-for-sale securities in an unrealized loss position with a total estimated fair value of \$10.0 billion and gross unrealized losses of \$661.3 million. Of these 1,386 securities, 1,131 securities had been in a continuous unrealized loss position for one year or longer and had a total estimated fair value of \$8.5 billion and gross unrealized losses of \$650.5 million.

The Company completes a detailed analysis each quarter to assess whether the decline in the fair value of any investment below its cost basis is the result of a credit loss. All available-for-sale securities with unrealized losses are reviewed. The Company considers many factors in completing its quarterly review of securities with unrealized losses for credit-related impairment to determine whether a credit loss exists, including the extent to which fair value is below cost, the implied yield to maturity, rating downgrades of the security and whether or not the issuer has failed to make scheduled principal or interest payments. The Company also takes into consideration information about the financial condition of the issuer and industry factors that could negatively impact the issuer.

If the decline in fair value of an available-for-sale security below its amortized cost is considered to be the result of a credit loss, the Company compares the estimated present value of the cash flows expected to be collected to the amortized cost of the security. The extent to which the estimated present value of the cash flows expected to be collected is less than the amortized cost of the security represents the credit loss, which is recorded as an allowance and recognized in net income. The allowance is limited to the difference between the fair value and the amortized cost of the security. Any remaining decline in fair value represents the non-credit portion of the impairment, which is recognized in other comprehensive income. The Company did not have an allowance for credit losses for any available-for-sale securities as of June 30, 2024 or December 31, 2023.

Quarterly, the Company also considers whether it intends to sell an available-for-sale security or if it is more likely than not that it will be required to sell a security before recovery of its amortized cost. In these instances, a decline in fair value is recognized in net income based on the fair value of the security at the time of assessment, resulting in a new cost basis for the security.

c) The amortized cost and estimated fair value of fixed maturity securities at June 30, 2024 are shown below by contractual maturity.

<i>(dollars in thousands)</i>	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 1,076,011	\$ 1,062,673
Due after one year through five years	5,685,191	5,482,759
Due after five years through ten years	4,727,163	4,508,491
Due after ten years	1,473,947	1,311,513
	12,962,312	12,365,436
Commercial mortgage-backed securities	2,325,529	2,199,628
Residential mortgage-backed securities	433,954	412,450
Total fixed maturity securities	\$ 15,721,795	\$ 14,977,514

d) The following table presents the components of net investment income.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest:				
Fixed maturity securities	\$ 121,189	\$ 88,419	\$ 240,665	\$ 170,547
Short-term investments	31,654	23,712	63,838	50,331
Cash and cash equivalents and restricted cash and cash equivalents	42,542	35,491	81,620	63,092
Dividends on equity securities	31,831	26,352	64,524	53,834
	227,216	173,974	450,647	337,804
Investment expenses	(4,155)	(4,281)	(9,317)	(8,776)
Net investment income	\$ 223,061	\$ 169,693	\$ 441,330	\$ 329,028

e) The following table presents the components of net investment gains (losses) included in net income and the change in net unrealized losses included in other comprehensive income (loss). Gross realized investment gains and losses on fixed maturity securities, short-term investments and other investments were not material to the consolidated financial statements and are presented on a net basis in the following table.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Fixed maturity securities, short-term investments and other investments:				
Net realized investment gains (losses)	\$ (14,007)	\$ 1,155	\$ (18,495)	\$ (2,066)
Equity securities:				
Change in fair value of securities sold during the period	(4,654)	2,434	(4,611)	13,487
Change in fair value of securities held at the end of the period	(111,356)	480,938	795,370	845,669
Total change in fair value	(116,010)	483,372	790,759	859,156
Net investment gains (losses)	\$ (130,017)	\$ 484,527	\$ 772,264	\$ 857,090
Change in net unrealized losses on available-for-sale investments included in other comprehensive income (loss):				
Fixed maturity securities	\$ (36,240)	\$ (167,992)	\$ (184,727)	\$ 41,187
Short-term investments	(358)	(2,578)	(7,640)	(3,388)
Net increase (decrease)	\$ (36,598)	\$ (170,570)	\$ (192,367)	\$ 37,799

5. Fair Value Measurements

FASB ASC 820, *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 ASC 820, the Company determines fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods, including the market, income and cost approaches. The Company 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 Company to measure assets and liabilities at fair value, including an indication of the level within the fair value hierarchy in which each asset or liability is generally classified.

Available-for-sale investments and equity securities. Available-for-sale investments and equity securities are recorded at fair value on a recurring basis. Available-for-sale investments include fixed maturity securities and short-term investments. Fair value is determined by the Company after considering various sources of information, including information provided by a third-party pricing service. The pricing service provides prices for substantially all of the Company's fixed maturity securities and equity securities. In determining fair value, the Company generally does not adjust the prices obtained from the pricing service. The Company obtains an understanding of the pricing service's valuation methodologies and related inputs, which include, but are not limited to, reported trades, benchmark yields, issuer spreads, bids, offers, duration, credit ratings, estimated cash flows and prepayment speeds. The Company validates prices provided by the pricing service by reviewing prices from other pricing sources and analyzing pricing data in certain instances.

The Company has evaluated the various types of securities in its investment portfolio to determine an appropriate fair value hierarchy level based upon trading activity and the observability of market inputs. Level 1 investments include those traded on an active exchange, such as the New York Stock Exchange. Level 2 investments include U.S. Treasury securities, U.S. government-sponsored enterprises, municipal bonds, foreign government bonds, commercial mortgage-backed securities, residential mortgage-backed securities and corporate debt securities. Level 3 investments include the Company's investments in insurance-linked securities funds that are in run-off, which are not traded on an active exchange and are valued using unobservable inputs.

Fair value for available-for-sale investments and equity securities is measured based upon quoted prices in active markets, if available. Due to variations in trading volumes and the lack of quoted market prices, fixed maturity securities are classified as Level 2 investments. The fair value of fixed maturity securities is normally derived through recent reported trades for identical or similar securities, making adjustments through the reporting date based upon available market observable data previously described. If there are no recent reported trades, the fair value of fixed maturity securities may be derived through the use of matrix pricing or model processes, where future cash flow expectations are developed based upon collateral performance and discounted at an estimated market rate. Significant inputs used to determine the fair value of obligations of states, municipalities and political subdivisions, corporate bonds and obligations of foreign governments include reported trades, benchmark yields, issuer spreads, bids, offers, credit information and estimated cash flows. Significant inputs used to determine the fair value of commercial mortgage-backed securities and residential mortgage-backed securities include the type of underlying assets, benchmark yields, prepayment speeds, collateral information, tranche type and volatility, estimated cash flows, credit information, default rates, recovery rates, issuer spreads and the year of issue.

Senior long-term debt and other debt. Senior long-term debt and other debt is carried at amortized cost with the estimated fair value disclosed on the consolidated balance sheets. Senior long-term debt and other debt is classified as Level 2 within the fair value hierarchy due to variations in trading volumes and the lack of quoted market prices. Fair value is generally derived through recent reported trades, making adjustments through the reporting date, if necessary, based upon available market observable data including U.S. Treasury securities and implied credit spreads. Significant inputs used to determine the fair value of senior long-term debt and other debt include reported trades, benchmark yields, issuer spreads, bids and offers.

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

June 30, 2024				
(dollars in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Fixed maturity securities, available-for-sale:				
U.S. Treasury securities	\$ —	\$ 4,524,397	\$ —	\$ 4,524,397
U.S. government-sponsored enterprises	—	1,247,869	—	1,247,869
Obligations of states, municipalities and political subdivisions	—	3,792,426	—	3,792,426
Foreign governments	—	1,847,879	—	1,847,879
Commercial mortgage-backed securities	—	2,199,628	—	2,199,628
Residential mortgage-backed securities	—	412,450	—	412,450
Corporate bonds	—	952,865	—	952,865
Total fixed maturity securities, available-for-sale	—	14,977,514	—	14,977,514
Equity securities:				
Insurance, banks and other financial institutions	4,101,406	—	1,321	4,102,727
Industrial, consumer and all other	6,490,117	—	—	6,490,117
Total equity securities	10,591,523	—	1,321	10,592,844
Short-term investments, available-for-sale	2,633,686	154,072	—	2,787,758
Total investments	\$ 13,225,209	\$ 15,131,586	\$ 1,321	\$ 28,358,116

December 31, 2023				
(dollars in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Fixed maturity securities, available-for-sale:				
U.S. Treasury securities	\$ —	\$ 3,784,713	\$ —	\$ 3,784,713
U.S. government-sponsored enterprises	—	1,142,814	—	1,142,814
Obligations of states, municipalities and political subdivisions	—	4,029,305	—	4,029,305
Foreign governments	—	1,783,421	—	1,783,421
Commercial mortgage-backed securities	—	2,243,658	—	2,243,658
Residential mortgage-backed securities	—	470,422	—	470,422
Corporate bonds	—	918,399	—	918,399
Total fixed maturity securities, available-for-sale	—	14,372,732	—	14,372,732
Equity securities:				
Insurance, banks and other financial institutions	3,694,375	—	994	3,695,369
Industrial, consumer and all other	5,882,502	—	—	5,882,502
Total equity securities	9,576,877	—	994	9,577,871
Short-term investments, available-for-sale	2,402,099	169,283	—	2,571,382
Total investments	\$ 11,978,976	\$ 14,542,015	\$ 994	\$ 26,521,985

Except as disclosed in note 3, the Company did not have any assets or liabilities measured at fair value on a non-recurring basis during the six months ended June 30, 2024 and 2023.

6. Equity Method Investments

The Company's equity method investments, which are included in other assets on the consolidated balance sheets, totaled \$657.5 million and \$605.9 million as of June 30, 2024 and December 31, 2023, respectively. The Company's proportionate share of earnings in its equity method investments was income of \$10.7 million and \$36.6 million for the quarter and six months ended June 30, 2024, respectively, and losses of \$7.1 million and \$8.7 million for the quarter and six months ended June 30, 2023, respectively.

The Company's most significant equity method investment is an investment in Hagerty, Inc. (Hagerty), which is accounted for on a quarter lag. Hagerty is an automotive enthusiast brand offering integrated membership products and programs as well as a specialty insurance provider focused on the global automobile enthusiast market. The Company's ownership interest in Hagerty was 23% as of June 30, 2024 and December 31, 2023. The Company's investment is comprised of Class A common shares, which are listed for trading on the New York Stock Exchange, as well as Class V common shares, associated with the Company's original investment, that have special voting rights and can be converted on a one-for-one basis into Class A common shares. The Company accounts for its investment under the equity method as it is deemed to have the ability to exercise significant influence over Hagerty's operating and financial policies through a combination of its voting interest, its right to designate a board member and business it conducts with Hagerty. As of June 30, 2024 and December 31, 2023, the carrying value of the Company's investment in Hagerty was \$236.9 million and \$237.4 million, respectively.

As of June 30, 2024 and December 31, 2023, the estimated value of the Company's investment, based on the closing stock price of Hagerty's Class A common shares, was \$811.2 million and \$608.4 million, respectively. See note 13 for further details regarding related party transactions with Hagerty.

7. Products, Services, and Other Revenues

The following tables present revenues from contracts with customers by type, all of which are included in products revenues and services and other revenues, along with a reconciliation to total products revenues and services and other revenues.

<i>(dollars in thousands)</i>	Quarter Ended June 30,					
	2024			2023		
	Markel Ventures	Other	Total	Markel Ventures	Other	Total
Products	\$ 840,636	\$ —	\$ 840,636	\$ 770,171	\$ —	\$ 770,171
Services	570,319	2,415	572,734	569,399	1,784	571,183
Investment management	—	22,546	22,546	—	21,445	21,445
Total revenues from contracts with customers	1,410,955	24,961	1,435,916	1,339,570	23,229	1,362,799
Leasing revenues	37,035	—	37,035	37,305	—	37,305
Program services and other fronting	—	46,218	46,218	—	37,563	37,563
Equity method and other investments income (loss)	1,407	9,357	10,764	(387)	(6,378)	(6,765)
Disposition gain	—	—	—	—	16,923	16,923
Other	1,777	(10)	1,767	9,325	23	9,348
Total	\$ 1,451,174	\$ 80,526	\$ 1,531,700	\$ 1,385,813	\$ 71,360	\$ 1,457,173

	Six Months Ended June 30,					
	2024			2023		
<i>(dollars in thousands)</i>	Markel Ventures	Other	Total	Markel Ventures	Other	Total
Products	\$ 1,435,228	\$ —	\$ 1,435,228	\$ 1,336,066	\$ —	\$ 1,336,066
Services	1,068,609	4,548	1,073,157	1,055,880	4,638	1,060,518
Investment management	—	42,482	42,482	—	31,904	31,904
Total revenues from contracts with customers	2,503,837	47,030	2,550,867	2,391,946	36,542	2,428,488
Leasing revenues	77,788	—	77,788	79,057	—	79,057
Program services and other fronting fees	—	82,248	82,248	—	66,453	66,453
Equity method and other investments income (loss)	6,586	30,203	36,789	1,108	(8,758)	(7,650)
Disposition gain	—	—	—	—	16,923	16,923
Other	2,504	(18)	2,486	17,641	48	17,689
Total	\$ 2,590,715	\$ 159,463	\$ 2,750,178	\$ 2,489,752	\$ 111,208	\$ 2,600,960

In June 2023, the Company sold one of its licensed insurance subsidiaries, which resulted in a gain of \$16.9 million. The gain was included in services and other revenues.

Receivables from contracts with customers were \$750.0 million and \$616.4 million as of June 30, 2024 and December 31, 2023, respectively.

8. Unpaid Losses and Loss Adjustment Expenses

The following table presents a reconciliation of consolidated beginning and ending reserves for losses and loss adjustment expenses.

	Six Months Ended June 30,	
	2024	2023
<i>(dollars in thousands)</i>		
Gross reserves for losses and loss adjustment expenses, beginning of year	\$ 23,483,321	\$ 20,947,898
Reinsurance recoverables on unpaid losses, beginning of year	8,820,567	7,994,884
Net reserves for losses and loss adjustment expenses, beginning of year	14,662,754	12,953,014
Effect of foreign currency rate changes on beginning of year balance	(41,045)	46,000
Adjusted net reserves for losses and loss adjustment expenses, beginning of year	14,621,709	12,999,014
Incurring losses and loss adjustment expenses:		
Current accident year	2,741,620	2,500,098
Prior accident years	(221,298)	(139,208)
Total incurred losses and loss adjustment expenses	2,520,322	2,360,890
Payments:		
Current accident year	196,079	164,713
Prior accident years	1,639,765	1,461,051
Total payments	1,835,844	1,625,764
Effect of foreign currency rate changes on current year activity	(1,272)	(2,949)
Change in net reserves for losses and loss adjustment expenses of Markel CATCo Re (see note 12)	(25,726)	(131,874)
Reinsurance recoverable for retroactive reinsurance transaction	—	(125,067)
Net reserves for losses and loss adjustment expenses, end of period	15,279,189	13,474,250
Reinsurance recoverables on unpaid losses	9,367,429	7,900,563
Gross reserves for losses and loss adjustment expenses, end of period	\$ 24,646,618	\$ 21,374,813

For the six months ended June 30, 2024, prior accident years losses and loss adjustment expenses included \$221.3 million of favorable development on prior years loss reserves, which included \$190.7 million of favorable development on the Company's international professional liability, marine and energy, credit and surety and general liability product lines within its Insurance segment.

For the six months ended June 30, 2023, prior accident years losses and loss adjustment expenses included \$139.2 million of favorable development on prior years loss reserves, which included \$169.6 million of favorable development on the Company's professional liability, property, marine and energy and workers' compensation product lines within its Insurance segment and \$20.9 million of favorable development on the Company's professional liability and property product lines within its Reinsurance segment. Favorable development on prior years loss reserves for the six months ended June 30, 2023 was partially offset by \$53.0 million of adverse development on the Company's general liability product lines within its Insurance segment.

In March 2023, the Company completed a retroactive reinsurance transaction to cede its portfolio of policies comprised of liabilities for its run-off book of United Kingdom motor casualty business in exchange for payments totaling \$125.1 million, which approximated the carrying value of the Company's reserves for losses and loss adjustment expenses on the ceded policies.

9. Reinsurance

The following tables summarize the effect of reinsurance and retrocessional reinsurance on premiums written and earned.

(dollars in thousands)	Quarter Ended June 30,							
	2024				2023			
	Direct	Assumed	Ceded	Net Premiums	Direct	Assumed	Ceded	Net Premiums
Underwriting:								
Written	\$ 2,356,536	\$ 564,851	\$ (642,448)	\$ 2,278,939	\$ 2,285,739	\$ 448,837	\$ (526,562)	\$ 2,208,014
Earned	\$ 2,149,773	\$ 414,488	\$ (487,002)	\$ 2,077,259	\$ 2,025,324	\$ 424,404	\$ (418,264)	\$ 2,031,464
Program services and other fronting:								
Written	943,140	847,603	(1,790,903)	(160)	824,171	229,438	(1,053,930)	(321)
Earned	811,377	240,844	(1,052,381)	(160)	649,562	159,075	(808,958)	(321)
Consolidated:								
Written	\$ 3,299,676	\$ 1,412,454	\$ (2,433,351)	\$ 2,278,779	\$ 3,109,910	\$ 678,275	\$ (1,580,492)	\$ 2,207,693
Earned	\$ 2,961,150	\$ 655,332	\$ (1,539,383)	\$ 2,077,099	\$ 2,674,886	\$ 583,479	\$ (1,227,222)	\$ 2,031,143

(dollars in thousands)	Six Months Ended June 30,							
	2024				2023			
	Direct	Assumed	Ceded	Net Premiums	Direct	Assumed	Ceded	Net Premiums
Underwriting:								
Written	\$ 4,464,003	\$ 1,233,550	\$ (1,186,404)	\$ 4,511,149	\$ 4,255,102	\$ 1,137,732	\$ (966,591)	\$ 4,426,243
Earned	\$ 4,348,011	\$ 807,430	\$ (950,382)	\$ 4,205,059	\$ 3,997,200	\$ 823,123	\$ (820,704)	\$ 3,999,619
Program services and other fronting:								
Written	1,688,098	1,266,878	(2,955,309)	(333)	1,397,382	433,981	(1,832,135)	(772)
Earned	1,515,059	364,115	(1,879,507)	(333)	1,290,675	233,792	(1,525,239)	(772)
Consolidated:								
Written	\$ 6,152,101	\$ 2,500,428	\$ (4,141,713)	\$ 4,510,816	\$ 5,652,484	\$ 1,571,713	\$ (2,798,726)	\$ 4,425,471
Earned	\$ 5,863,070	\$ 1,171,545	\$ (2,829,889)	\$ 4,204,726	\$ 5,287,875	\$ 1,056,915	\$ (2,345,943)	\$ 3,998,847

Substantially all of the premiums written and earned in the Company's program services and other fronting operations for the quarter and six months ended June 30, 2024 and 2023 were ceded. The percentage of consolidated ceded earned premiums to gross earned premiums was 43% and 40% for the quarter and six months ended June 30, 2024, respectively, and 38% and 37% for the quarter and six months ended June 30, 2023, respectively. The percentage of consolidated assumed earned premiums to net earned premiums was 32% and 28% for the quarter and six months ended June 30, 2024, respectively, and 29% and 26% for the quarter and six months ended June 30, 2023, respectively.

Substantially all of the incurred losses and loss adjustment expenses in the Company's program services and other fronting operations were ceded. These gross losses totaled \$593.9 million and \$1.2 billion for the quarter and six months ended June 30, 2024, respectively, and \$594.7 million and \$1.1 billion for the quarter and six months ended June 30, 2023, respectively.

The following table summarizes the effect of reinsurance and retrocessional reinsurance on losses and loss adjustment expenses in the Company's underwriting operations.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Gross losses and loss adjustment expenses	\$ 1,577,820	\$ 1,476,189	\$ 3,271,667	\$ 2,868,537
Ceded losses and loss adjustment expenses	(345,224)	(288,676)	(751,391)	(507,931)
Net losses and loss adjustment expenses	<u>\$ 1,232,596</u>	<u>\$ 1,187,513</u>	<u>\$ 2,520,276</u>	<u>\$ 2,360,606</u>

10. Life and Annuity Benefits

The Company's run-off block of life and annuity reinsurance contracts consists primarily of Euro and U.S. Dollar denominated life-contingent payout annuities and traditional and universal life contracts. The following table presents the components of the Company's liabilities for life and annuity benefits.

<i>(dollars in thousands)</i>	June 30, 2024	December 31, 2023
Liability for future policyholder benefits	\$ 507,926	\$ 557,763
Deferred profit liability	49,238	52,287
Other	37,585	39,004
Total	<u>\$ 594,749</u>	<u>\$ 649,054</u>

The primary component of the Company's liabilities for life and annuity benefits is the liability for future policyholder benefits. Life and annuity benefit reserves are calculated for aggregated cohorts of contracts, which are determined based on the attributes of the underlying contracts, and are discounted using standard actuarial techniques and cash flow models. Since the development of the life and annuity reinsurance reserves is based upon cash flow projection models, the Company makes estimates and assumptions based on cedent experience and industry mortality tables. The cash flow assumptions used to determine the Company's life and annuity benefit reserves are reviewed, and updated as necessary, at least annually. The discount rate assumptions are updated at each reporting date. The following table presents a rollforward of the present value of the liability for future policyholder benefits.

<i>(dollars in thousands)</i>	Six Months Ended June 30,	
	2024	2023
Liability for future policyholder benefits, beginning of year	\$ 557,763	\$ 554,366
Liability for future policyholder benefits at original discount rate, beginning of year	642,877	667,761
Effect of changes in cash flow assumptions	—	—
Effect of actual variances from expected experience	—	—
Adjusted liability for future policyholder benefits, beginning of year	642,877	667,761
Interest accretion	7,113	7,594
Benefit payments	(25,750)	(26,661)
Effect of foreign currency rate changes	(15,515)	6,926
Liability for future policyholder benefits at original discount rate, end of period	608,725	655,620
Cumulative effect of changes in discount rate assumptions	(100,799)	(106,019)
Liability for future policyholder benefits, end of period ⁽¹⁾	\$ 507,926	\$ 549,601

⁽¹⁾ The undiscounted liability for future policyholder benefits was \$779.6 million and \$843.3 million as of June 30, 2024 and 2023, respectively.

The following table summarizes additional details for the Company's liability for future policyholder benefits.

	June 30, 2024	December 31, 2023
Weighted-average interest rate:		
Interest accretion rate	2.3 %	2.3 %
Current discount rate	4.3 %	3.8 %
Weighted-average liability duration	8.2 years	8.6 years

11. Senior Long-Term Debt and Other Debt

In May 2024, the Company issued \$600 million of 6.0% unsecured senior notes due May 2054. Net proceeds to the Company were \$592.6 million, before expenses. The Company intends to use these proceeds for general corporate purposes, which may include the redemption, in whole or in part, of the Company's outstanding preferred shares. As of June 30, 2024, the Company had 600,000 preferred shares issued and outstanding, which the Company has the option to redeem, in whole or in part, on June 1, 2025, at \$1,000 per preferred share, plus accrued and unpaid dividends.

12. Variable Interest Entities

Markel CATCo Investment Management Ltd. (MCIM), a wholly-owned consolidated subsidiary of the Company, is an insurance-linked securities investment fund manager and reinsurance manager headquartered in Bermuda. Results attributable to MCIM are not included in a reportable segment.

MCIM serves as the insurance manager for Markel CATCo Re Ltd. (Markel CATCo Re), a Bermuda Class 3 reinsurance company, and as the investment manager for Markel CATCo Reinsurance Fund Ltd., a Bermuda exempted mutual fund company comprised of multiple segregated accounts (Markel CATCo Funds). Voting shares in Markel CATCo Reinsurance Fund Ltd. and Markel CATCo Re are held by MCIM, which has the power to direct the activities that most significantly impact the economic performance of these entities. The Markel CATCo Funds issued multiple classes of nonvoting, redeemable preference shares to investors, and the Markel CATCo Funds are primarily invested in nonvoting preference shares of Markel CATCo Re. The underwriting results of Markel CATCo Re are attributed to investors through its nonvoting preference shares. Both Markel CATCo Re and the Markel CATCo Funds were placed into run-off in July 2019.

In 2022, the Company completed a buy-out transaction with Markel CATCo Re and the Markel CATCo Funds that provided for an accelerated return of all remaining capital to investors in the Markel CATCo Funds. Under the terms of the transaction, the Company provided cash funding of \$45.1 million to purchase substantially all of the Markel CATCo Funds' interests in Markel CATCo Re. As part of the transaction, substantially all of the preference shares held by investors in the Markel CATCo Funds were redeemed, including preference shares previously held by the Company.

The Company has received a return of \$24.9 million of the initial cash funding provided, and the related preference shares were redeemed. As of June 30, 2024 and December 31, 2023, the Company's investment in the remaining preference shares of Markel CATCo Re totaled \$20.1 million, which comprised 16% and 23%, respectively, of the equity of Markel CATCo Re. Through that investment, the Company has exposure to adverse loss development on reinsurance contracts previously written by Markel CATCo Re for loss events that occurred from 2014 to 2020. If loss reserves held by Markel CATCo Re are sufficient to settle claims on the remaining open contracts, the Company will receive a full return of the remaining \$20.1 million in capital. Favorable development on loss reserves held by Markel CATCo Re, less operating expenses, will be distributed to the Markel CATCo Funds, and ultimately to investors in the Markel CATCo Funds.

Markel CATCo Re is considered a VIE, as the equity at risk does not have the right to receive residual returns that exceed the capital provided by the Company in the buy-out transaction. As a result of the preference shares acquired by the Company in the buy-out transaction, and the voting shares held by its consolidated subsidiary, MCIM, the Company consolidates Markel CATCo Re as its primary beneficiary. Results attributed to the run-off of Markel CATCo Re are reported with the Company's other insurance operations, within services and other revenues and expenses, and are not included in a reportable segment. Favorable loss reserve development on the run-off of reinsurance contracts written by Markel CATCo Re was \$8.4 million and \$24.1 million for the quarter and six months ended June 30, 2024, respectively, and \$8.7 million and \$53.5 million for the quarter and six months ended June 30, 2023, respectively. For all periods, the favorable development was included in services and other expenses and attributable to noncontrolling interests. During the six months ended June 30, 2023, \$62.6 million of preference shares of Markel CATCo Re held by noncontrolling interests were redeemed.

The Company's consolidated balance sheets include the following amounts attributable to Markel CATCo Re.

(dollars in thousands)

	June 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 108,625	\$ 91,301
Restricted cash and cash equivalents	156,548	173,800
Other assets and receivables due from cedents	18,992	19,292
Total Assets	<u>\$ 284,165</u>	<u>\$ 284,393</u>
Liabilities and Equity		
Unpaid losses and loss adjustment expenses	\$ 159,242	\$ 184,967
Other liabilities	824	1,842
Total Liabilities	<u>160,066</u>	<u>186,809</u>
Shareholders' equity	21,139	21,139
Noncontrolling interests	102,960	76,445
Total Equity	<u>124,099</u>	<u>97,584</u>
Total Liabilities and Equity	<u>\$ 284,165</u>	<u>\$ 284,393</u>

In connection with the buy-out transaction, the Company also entered into a tail risk cover with Markel CATCo Re to allow for the release of collateral to investors. Through this contract, the Company has \$95.0 million of uncollateralized exposure to adverse development on loss reserves held by Markel CATCo Re for loss exposures in excess of limits that the Company believes are unlikely to be exceeded.

13. Related Party Transactions

The Company engages in certain related party transactions in the normal course of business at arm's length.

Insurance-Linked Securities

Within the Company's insurance-linked securities operations, the Company provides investment and insurance management services through Nephila Holdings Ltd. (together with its subsidiaries, Nephila). Nephila serves as the investment manager to several Bermuda based private funds (the Nephila Funds). To provide access for the Nephila Funds to a variety of insurance-linked securities in the property catastrophe, climate and specialty markets, Nephila also acts as an insurance manager to certain Bermuda Class 3 and 3A reinsurance companies, Lloyd's Syndicate 2357 and Lloyd's Syndicate 2358 (collectively, the Nephila Reinsurers). Nephila receives management fees for investment and insurance management services provided through its insurance-linked securities operations, and, for certain funds, incentive fees based on their annual performance. For the quarter and six months ended June 30, 2024, total revenues attributed to unconsolidated entities managed by Nephila were \$21.8 million and \$41.1 million, respectively. For the quarter and six months ended June 30, 2023, total revenues attributed to unconsolidated entities managed by Nephila were \$20.8 million and \$30.6 million, respectively.

Through the Company's program services and other fronting operations, the Company has programs with Nephila through which the Company writes insurance policies that are fully ceded to the Nephila Reinsurers. Through these programs, Nephila utilizes certain of the Company's licensed insurance companies to write U.S. catastrophe-exposed property and specialty risks that are then ceded to the Nephila Reinsurers. Gross premiums written through the Company's program services and other fronting platforms on behalf of Nephila were \$741.7 million and \$1.1 billion for the quarter and six months ended June 30, 2024, respectively, and \$297.4 million and \$534.3 million for the quarter and six months ended June 30, 2023, respectively, all of which were ceded to the Nephila Reinsurers.

As of June 30, 2024 and December 31, 2023, reinsurance recoverables on the consolidated balance sheets included \$687.1 million and \$794.3 million, respectively, due from the Nephila Reinsurers. Under its programs with the Nephila Reinsurers, the Company bears underwriting risk for annual aggregate agreement year losses in excess of a limit the Company believes is unlikely to be exceeded. To the extent losses under these programs exceed the prescribed limits, the Company is obligated to pay such losses to the cedents without recourse to the Nephila Reinsurers. While the Company believes losses under these programs are unlikely, those losses, if incurred, could be material to the Company's consolidated results of operations and financial condition.

Beginning in 2024, in order for the Nephila Reinsurers to obtain reinsurance protection for a portion of their exposures, the Company also fronted ceded reinsurance contracts, primarily in the form of industry loss warranties, for the Nephila Reinsurers. Through this arrangement, the underlying risk of the Nephila Reinsurers was retroceded back to the Company and then fully ceded to third-party reinsurers. For the quarter and six months ended June 30, 2024, the Company's gross written premiums from the Nephila Reinsurers under this program were \$168.0 million, all of which were ceded to third parties.

The Company has also entered into other assumed and ceded reinsurance transactions with the Nephila Reinsurers in the normal course of business, which are not material to the Company's consolidated financial statements.

Hagerty

The Company holds a minority ownership interest in Hagerty, which operates primarily as a managing general agent and also includes Hagerty Reinsurance Limited (Hagerty Re), a Bermuda Class 3 reinsurance company. Through the Company's underwriting operations, the Company underwrites insurance for Hagerty, a portion of which is ceded to Hagerty Re. The amounts attributed to these arrangements are summarized in the following table.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Gross written premiums attributable to Hagerty	\$ 275,642	\$ 236,225	\$ 473,924	\$ 401,196
Premiums ceded to Hagerty Re	\$ 211,052	\$ 181,841	\$ 363,737	\$ 306,469

As of June 30, 2024 and December 31, 2023, reinsurance recoverables on the consolidated balance sheets included \$239.4 million and \$214.8 million, respectively, due from Hagerty Re.

14. Shareholders' Equity

a) The Company has 50,000,000 shares of no par value common stock authorized. The following table presents a rollforward of changes in common shares issued and outstanding.

<i>(shares in ones)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Issued and outstanding common shares, beginning of period	13,023,511	13,361,613	13,131,672	13,422,692
Issuance of common shares	2,603	1,495	3,987	3,312
Repurchase of common shares	(64,082)	(78,110)	(173,627)	(141,006)
Issued and outstanding common shares, end of period	12,962,032	13,284,998	12,962,032	13,284,998

b) The Company also has 10,000,000 shares of no par value preferred stock authorized, of which 600,000 shares were issued and outstanding at June 30, 2024 and December 31, 2023. The Company declared and paid dividends on preferred shares of \$18.0 million, or \$30 per share, in both the quarters ended June 30, 2024 and 2023.

c) Net income per common share was determined by dividing adjusted net income to common shareholders by the applicable weighted average common shares outstanding. Basic common shares outstanding include restricted stock units that are no longer subject to any contingencies for issuance, but for which corresponding shares have not been issued. Diluted net income per common share is computed by dividing adjusted net income to common shareholders by the weighted average number of common shares and dilutive potential common shares outstanding during the period. The following table presents basic net income per common share and diluted net income per common share.

<i>(in thousands, except per share amounts)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income to common shareholders	\$ 249,701	\$ 677,511	\$ 1,274,885	\$ 1,166,163
Adjustment of redeemable noncontrolling interests	(6,100)	(5,758)	(38,702)	7,715
Adjusted net income to common shareholders	\$ 243,601	\$ 671,753	\$ 1,236,183	\$ 1,173,878
Basic common shares outstanding	13,053	13,382	13,095	13,416
Dilutive potential common shares from restricted stock units and restricted stock	28	29	23	25
Diluted common shares outstanding	13,081	13,411	13,118	13,441
Basic net income per common share	\$ 18.66	\$ 50.20	\$ 94.40	\$ 87.50
Diluted net income per common share	\$ 18.62	\$ 50.09	\$ 94.24	\$ 87.34

15. Contingencies

Contingencies arise in the normal course of the Company's operations and are not expected to have a material impact on the Company's financial condition or results of operations.

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

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included under Item 1 Financial Statements and our 2023 Annual Report on Form 10-K. The accompanying consolidated financial statements and related notes have been prepared in accordance with United States (U.S.) generally accepted accounting principles (GAAP) and include the accounts of our holding company, Markel Group Inc. (Markel Group), and its consolidated subsidiaries, as well as any variable interest entities that meet the requirements for consolidation. This section is divided into the following sections:

- Our Business
- Results of Operations
- Financial Condition
- Critical Accounting Estimates
- Safe Harbor and Cautionary Statement

Our Business

Markel Group is a holding company comprised of a diverse family of businesses and investments. The leadership teams of our businesses operate with a high degree of independence, while at the same time living the values that we call the Markel Style. Our specialty insurance business, Markel, sits at the core of our company. Through decades of sound underwriting, Markel has provided the capital base from which we built a system of businesses and investments that collectively increase Markel Group's durability and adaptability. We aspire to build one of the world's great companies by creating win-win-win outcomes for our customers, associates and shareholders. We deploy three financial engines in pursuit of this goal.

Insurance - markets and underwrites specialty insurance products using our underwriting, fronting and insurance-linked securities platforms that enable us to best match risk and capital

Investments - invests premiums received by our underwriting operations and any available earnings provided by our operating businesses in fixed maturity and equity securities

Markel Ventures - owns controlling interests in a diverse portfolio of businesses that operate in a variety of industries

Our three interdependent engines form a system that provides diverse income streams, access to a wide range of investment opportunities and the ability to efficiently move capital to the best ideas across our three engines. We allocate capital using a process that we have consistently followed for years. We first look to invest in our existing businesses for organic growth opportunities. After funding internal growth opportunities, we look to acquire controlling interests in businesses, build our portfolio of equity securities or repurchase shares of our common stock. We believe our system is uniquely equipped for long-term growth. To mitigate the effects of short-term volatility and align with the long-term perspective that we apply to operating our businesses and making investments, we generally use five-year time periods to measure our performance. We measure financial success using both operating income and total shareholder return. Operating income provides a reasonable proxy for the performance of each engine in support of our overall financial goal of growing intrinsic value. Prior to 2024, we used growth in book value per share, rather than operating income, to measure our performance. As our businesses diversified beyond underwriting operations, book value became less indicative of intrinsic value because a significant portion of our operations is not recorded at fair value. We believe total operating income across the Markel Group system is a better measure of our performance.

Insurance

Our insurance engine is comprised of the following types of operations:

- Underwriting - our risk-bearing insurance and reinsurance operations.
- Program services and other fronting - fronting platform that provides other insurance entities and capacity providers access to the property and casualty insurance market.
- Insurance-linked securities (ILS) - provides investment management services to third-party capital providers for a variety of insurance-related investment products.

Through our underwriting, program services and other fronting and ILS operations, we have a suite of capabilities through which we can access capital to support our customers' risks, which includes our own capital through our underwriting operations, as well as third-party capital through our program services and other fronting and ILS operations. Within each of these insurance platforms, we believe that our specialty product focus enables us to develop expertise and specialized market knowledge. We seek to differentiate ourselves from competitors by our expertise, service, continuity and other value-based considerations, including the multiple platforms through which we can manage risk and deploy capital. For example, through our program services and other fronting platform, we have programs through which we write insurance policies on behalf of our ILS operations that are supported by third-party capital. Additionally, we cede certain risks historically written through our underwriting operations to our ILS operations to the extent those risks are more aligned with the risk profile of our ILS investors than our own corporate tolerance. Our ability to access multiple insurance platforms allows us to achieve income streams from our insurance operations beyond the traditional underwriting model. We believe this multi-platform approach provides us with a unique advantage through which we have the ability to unlock additional value for our customers and business partners, which we refer to as "the power of the platform."

Underwriting

We monitor and assess the performance of our ongoing underwriting operations on a global basis in the following two segments: Insurance and Reinsurance. In determining how to allocate resources and assess the performance of our underwriting results, we consider many factors, including the nature of the insurance product sold, the type of account written and the type of customer served. The Insurance segment includes all direct business and facultative reinsurance placements written on a risk-bearing basis within our underwriting operations. The Reinsurance segment includes all treaty reinsurance written on a risk-bearing basis within our underwriting operations.

Our Insurance segment includes unique and hard-to-place risks written on a global basis. In the U.S., this includes business written on an excess and surplus lines basis and an admitted basis. The following products are included in this segment: general liability, professional liability, personal lines, marine and energy, primary and excess of loss property, workers' compensation, credit and surety coverages, specialty program insurance for well-defined markets and liability and other coverages tailored for unique exposures. Business in this segment is primarily written through our Market Specialty and Market International divisions.

Our Reinsurance segment includes casualty and specialty treaty reinsurance products offered to other insurance and reinsurance companies. We write quota share and excess of loss reinsurance on a local, national and global basis. Business in this segment is primarily written by our Global Reinsurance division. Principal lines of business include: general liability, professional liability, credit and surety, marine and energy and workers' compensation.

Program Services and Other Fronting

Our program services and other fronting business generates fee income in the form of ceding fees in exchange for fronting insurance and reinsurance business for other insurance carriers, including the Nephila Reinsurers, as defined below. Our program services business, which is provided through our State National division, and our other fronting business are managed separately from our underwriting operations. The results of our program services and other fronting operations are not included in a reportable segment.

Although we reinsure substantially all of the risks inherent in our program services and other fronting businesses, we have certain programs that contain limits on our reinsurers' obligations to us that expose us to underwriting risk, including loss ratio caps, aggregate reinsurance limits or exclusion of the credit risk of producers. Under certain programs, including programs and contracts with the Nephila Reinsurers, we also bear underwriting risk for annual aggregate agreement year losses in excess of a limit that we believe is unlikely to be exceeded. See note 13 of the notes to consolidated financial statements for further details regarding our programs with the Nephila Reinsurers.

Insurance-Linked Securities

Our insurance-linked securities operations are primarily comprised of our Nephila operations and are not included in a reportable segment. Nephila Holdings Ltd. (together with its subsidiaries, Nephila) provides investment and insurance management services through which we offer alternative capital to the insurance and reinsurance market while providing investors with investment strategies that typically are uncorrelated with traditional asset classes. We receive management fees for investment and insurance management services provided through these operations, and for certain funds, incentive fees based on their annual performance.

Nephila serves as the investment manager to several Bermuda-based private funds (the Nephila Funds). To provide access for the Nephila Funds to a variety of insurance-linked securities, Nephila acts as an insurance manager to certain Bermuda Class 3, collateralized and special purpose reinsurance companies, Lloyd's Syndicate 2357 and Lloyd's Syndicate 2358 (collectively, the Nephila Reinsurers). The results of the Nephila Reinsurers are attributed to the Nephila Funds primarily through derivative transactions between these entities. Neither the Nephila Funds nor the Nephila Reinsurers are subsidiaries of Markel Group, and as such, these entities are not included in our consolidated financial statements.

The Nephila Reinsurers subscribe to various property, climate, and specialty reinsurance contracts based on their investors' risk profiles, including business ceded by our program services and other fronting platforms. See note 13 of the notes to consolidated financial statements for further details regarding transactions with entities managed through our Nephila operations.

Investments

Our investment operations manage the capital held within our underwriting operations, as well as capital allocated by Markel Group, and are reported as the Investing segment. Invested assets managed through our investment operations include our portfolio of publicly traded fixed maturity and equity securities, as well as cash and short-term investments. Substantially all of our investment portfolio is managed by company employees.

Our underwriting operations provide our investment operations with steady inflows of premiums. These funds are invested predominantly in high-quality government and municipal bonds and mortgage-backed securities that generally match the duration and currency of our loss reserves. We typically hold these investments until maturity. As a result, unrealized holding gains and losses on these securities are generally expected to reverse as the securities mature. Premiums collected through our underwriting operations may also be held as short-term investments or cash and cash equivalents to provide short-term liquidity for projected claims payments, reinsurance costs and operating expenses.

Our investments in equity securities are predominantly held within our regulated insurance subsidiaries to support capital requirements. Capital held by our insurance subsidiaries beyond that which we anticipate will be needed to cover claims payments and operating expenses is available to be invested in equity securities, along with additional capital allocated for investment purposes by Markel Group. We allocate a higher percentage of capital to equity securities than most other insurance companies. Over the long run, equity securities have produced higher returns relative to fixed maturity securities and short-term investments. When purchasing equity securities, we seek to invest in profitable companies with high returns on capital and low debt, with honest and talented management and significant reinvestment opportunities and capital discipline, all while paying reasonable prices for those securities. We intend to hold these equity investments over the long-term.

Markel Ventures

Through our wholly owned subsidiary, Markel Ventures, Inc. (Markel Ventures), we own controlling interests in high-quality businesses that operate in a variety of different industries with shared values and the shared goal of positively contributing to the long-term financial performance of Markel Group. Management teams for each business operate autonomously and are responsible for developing strategic initiatives, managing day-to-day operations and making investment and capital allocation decisions for their respective companies. Our Markel Ventures management team is responsible for decisions regarding allocation of capital for acquisitions and new investments. Our strategy in making these acquisitions is similar to our strategy for purchasing equity securities. We seek to invest in profitable companies, with honest and talented management, that exhibit reinvestment opportunities and capital discipline, at reasonable prices. We intend to own the businesses acquired for a long period of time.

We allocate resources to and assess the performance of these various businesses in the aggregate as the Markel Ventures segment. The following types of businesses are included in this segment: construction services, consumer and building products, transportation-related products, equipment manufacturing products and consulting services. These businesses offer various types of products and services to businesses and consumers across many markets. All of our businesses in this segment are headquartered in the U.S., with subsidiaries of certain businesses located outside of the U.S.

In June 2024, we acquired 98% of Valor Environmental (Valor), an environmental services company providing erosion control and related services to commercial development sites and homebuilders throughout the United States. Results attributable to Valor will be included in our Markel Ventures segment beginning in the third quarter of 2024. See note 3 of the notes to consolidated financial statements for additional details related to this acquisition. Additionally, our Markel Ventures businesses make strategic acquisitions from time to time that impact the results of the Markel Ventures segment but are not material to Markel Group.

Results of Operations

The following table presents the components of operating revenues.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Insurance segment	\$ 1,813,003	\$ 1,763,186	\$ 3,687,464	\$ 3,474,110
Reinsurance segment	264,630	268,288	517,969	525,522
Other insurance operations	70,635	77,407	128,553	119,181
Insurance operations	2,148,268	2,108,881	4,333,986	4,118,813
Net investment income	220,454	168,927	437,658	327,521
Net investment gains (losses)	(130,017)	484,527	772,264	857,090
Other	9,357	(6,378)	30,203	(8,758)
Investing segment	99,794	647,076	1,240,125	1,175,853
Markel Ventures segment	1,453,781	1,386,579	2,594,387	2,491,259
Total operating revenues	\$ 3,701,843	\$ 4,142,536	\$ 8,168,498	\$ 7,785,925

The following table presents the components of operating income and comprehensive income to shareholders.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating income:				
Insurance segment	\$ 133,179	\$ 134,651	\$ 240,489	\$ 231,155
Reinsurance segment	1,321	15,184	13,331	39,418
Other insurance operations	42,425	47,526	58,930	104,128
Insurance operations	176,925	197,361	312,750	374,701
Investing segment	99,794	647,076	1,240,125	1,175,853
Markel Ventures segment	177,498	170,050	281,413	262,228
Amortization of acquired intangible assets	(44,237)	(44,423)	(88,522)	(88,822)
Operating income	409,980	970,064	1,745,766	1,723,960
Interest expense	(52,597)	(47,221)	(98,145)	(96,659)
Net foreign exchange gains (losses)	8,711	(14,976)	60,211	(47,904)
Income tax expense	(76,244)	(191,937)	(368,800)	(325,668)
Net income attributable to noncontrolling interests	(22,149)	(20,419)	(46,147)	(69,566)
Net income to shareholders	267,701	695,511	1,292,885	1,184,163
Preferred stock dividends	(18,000)	(18,000)	(18,000)	(18,000)
Net income to common shareholders	249,701	677,511	1,274,885	1,166,163
Other comprehensive income (loss) to shareholders	(23,345)	(130,962)	(140,144)	26,751
Comprehensive income to shareholders	\$ 244,356	\$ 564,549	\$ 1,152,741	\$ 1,210,914

The decrease in operating income and comprehensive income to shareholders for the quarter ended June 30, 2024 compared to the quarter ended June 30, 2023 was primarily due to pre-tax net investment losses of \$116.0 million on our equity securities during the quarter compared to pre-tax net investment gains of \$483.4 million in the same period of 2023.

The modest increase in operating income for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily due to higher interest income across our fixed maturities securities, cash and short-term investments. The decrease in comprehensive income to shareholders for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily due to net unrealized losses on our available-for-sale investments in 2024 compared to net unrealized gains in 2023.

The components of comprehensive income to shareholders are discussed in further detail under "Insurance Results," "Investing Results," "Market Ventures Results," "Other" and "Comprehensive Income to Shareholders."

Insurance Results

Our Insurance engine includes our underwriting, program services and other fronting and insurance-linked securities operations. Our underwriting operations, which are primarily comprised of our Insurance and Reinsurance segments, produce revenues primarily by underwriting insurance contracts and earning premiums in the specialty insurance market. Our program services and other fronting and ILS operations, which are the primary components of our other insurance operations, produce revenues primarily through fees earned for fronting services and investment management services, respectively. Our other insurance operations also include the underwriting results of run-off lines of business that were discontinued prior to, or in conjunction with, insurance acquisitions, and the results of our run-off life and annuity reinsurance business. The following table presents the components of our Insurance engine gross premium volume, operating revenues and operating income.

<i>(dollars in thousands)</i>	Quarter Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Gross premium volume:						
Underwriting	\$ 2,921,387	\$ 2,734,576	7 %	\$ 5,697,553	\$ 5,392,834	6 %
Program services and other fronting ⁽¹⁾	1,790,743	1,053,609	70 %	2,954,976	1,831,363	61 %
Insurance operations	\$ 4,712,130	\$ 3,788,185	24 %	\$ 8,652,529	\$ 7,224,197	20 %
Operating revenues:						
Insurance segment	\$ 1,813,003	\$ 1,763,186	3 %	\$ 3,687,464	\$ 3,474,110	6 %
Reinsurance segment	264,630	268,288	(1)%	517,969	525,522	(1)%
Other insurance operations	70,635	77,407	(9)%	128,553	119,181	8 %
Insurance operations	\$ 2,148,268	\$ 2,108,881	2 %	\$ 4,333,986	\$ 4,118,813	5 %
Operating income:						
Insurance segment	\$ 133,179	\$ 134,651	(1)%	\$ 240,489	\$ 231,155	4 %
Reinsurance segment	1,321	15,184	(91)%	13,331	39,418	(66)%
Other insurance operations	42,425	47,526	(11)%	58,930	104,128	(43)%
Insurance operations	\$ 176,925	\$ 197,361	(10)%	\$ 312,750	\$ 374,701	(17)%

⁽¹⁾ Substantially all gross premiums from our program services and other fronting operations were ceded to third parties for the quarter and six months ended June 30, 2024 and 2023.

Underwriting Results

Underwriting profits are a key component of our strategy to build shareholder value. We believe that the ability to achieve consistent underwriting profits demonstrates knowledge and expertise, commitment to superior customer service and the ability to manage insurance risk. The property and casualty insurance industry commonly defines underwriting profit or loss as earned premiums net of losses and loss adjustment expenses and underwriting, acquisition and insurance expenses. We use underwriting profit or loss and the combined ratio as a basis for evaluating our underwriting performance. The U.S. GAAP combined ratio is a measure of underwriting performance and represents the relationship of incurred losses, loss adjustment expenses and underwriting, acquisition and insurance expenses to earned premiums. The combined ratio is the sum of the loss ratio and the expense ratio. The loss ratio represents the relationship of incurred losses and loss adjustment expenses to earned premiums. The expense ratio represents the relationship of underwriting, acquisition and insurance expenses to earned premiums. A combined ratio less than 100% indicates an underwriting profit, while a combined ratio greater than 100% reflects an underwriting loss.

In addition to the U.S. GAAP combined ratio, loss ratio and expense ratio, we also evaluate our underwriting performance using measures that exclude the impacts of certain items, such as catastrophes and other significant, infrequent loss events, on these ratios. During the six months ended June 30, 2024 and 2023, our results were not materially impacted by any such events. When analyzing our loss ratio, we evaluate losses and loss adjustment expenses attributable to the current accident year separate from losses and loss adjustment expenses attributable to prior accident years. Prior accident year reserve development, which can either be favorable or unfavorable, represents changes in our estimates of losses and loss adjustment expenses related to loss events that occurred in prior years. We believe a discussion of current accident year loss ratios, which exclude prior accident year reserve development, is helpful since it provides more insight into estimates of current underwriting performance and excludes changes in estimates related to prior year loss reserves.

The following table presents summary data for our consolidated underwriting operations, which are comprised predominantly of our Insurance and Reinsurance segments. Our consolidated underwriting results also include results from discontinued lines of business and the retained portion of our program services and other fronting operations.

<i>(dollars in thousands)</i>	Quarter Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Gross premium volume	\$ 2,921,227	\$ 2,734,255	7 %	\$ 5,697,220	\$ 5,392,062	6 %
Net written premiums	\$ 2,278,779	\$ 2,207,693	3 %	\$ 4,510,816	\$ 4,425,471	2 %
Earned premiums	\$ 2,077,099	\$ 2,031,143	2 %	\$ 4,204,726	\$ 3,998,847	5 %
Underwriting profit	\$ 134,229	\$ 145,380	(8)%	\$ 235,357	\$ 264,365	(11)%
Underwriting Ratios ⁽¹⁾						
			Point Change			Point Change
Loss ratio						
Current accident year loss ratio	66.3 %	61.8 %	4.5	65.2 %	62.5 %	2.7
Prior accident years loss ratio	(6.9)%	(3.3)%	(3.6)	(5.3)%	(3.5)%	(1.8)
Loss ratio	59.3 %	58.5 %	0.8	59.9 %	59.0 %	0.9
Expense ratio	34.2 %	34.4 %	(0.2)	34.5 %	34.3 %	0.2
Combined ratio	93.5 %	92.8 %	0.7	94.4 %	93.4 %	1.0

⁽¹⁾ Amounts may not reconcile due to rounding.

Premiums

The increase in gross premium volume in our underwriting operations for the quarter and six months ended June 30, 2024 was driven by growth within both of our underwriting segments. Net retention of gross premium volume in our underwriting operations was 78% for the quarter ended June 30, 2024 compared to 81% for the same period of 2023. The decrease in net retention for the quarter ended June 30, 2024 was driven by lower retention within our Insurance segment. Net retention of gross premium volume in our underwriting operations was 79% for the six months ended June 30, 2024 compared to 82% for the same period of 2023. The decrease in net retention for the six months ended June 30, 2024 was driven by lower retention across both of our underwriting segments. Within our underwriting operations, we purchase reinsurance and retrocessional reinsurance to manage our net retention on individual risks and overall exposure to losses and to enable us to write policies with sufficient limits to meet policyholder needs. The increase in earned premiums in our underwriting operations for the quarter and six months ended June 30, 2024 was primarily attributable to higher gross premium volume within our Insurance segment in recent periods.

In the first half of 2024, we continued to achieve modest rate increases across our diversified product portfolio. Similar to 2023, the primary exceptions where we are seeing modest rate decreases are within our workers' compensation, public directors and officers and cyber portfolios, which is consistent with the broader market trends in these product classes. We examine each of our product classes regularly by evaluating pricing and exposure, underwriting terms and conditions, deal structure, including limits and attachment points, and our expectations around loss cost trends, among other things. We target premium growth only in product lines where we are confident in the levels of rate adequacy.

We continued to achieve rate increases within our personal lines, property and select marine and energy product lines, with property rate increases softening in the second quarter. Each of these product lines continues to be priced at a level that we believe will earn appropriate returns on capital, and, as a result, we are continuing to increase our premium writings in these lines. Additionally, we achieved notable rate increases within many of our general liability product lines with U.S. exposures, and these rate increases are generally in line with, or better than, our assumptions on loss cost trends. We are being cautious in selecting which risks to pursue and how much limit to deploy within certain subclasses of our general liability portfolio as we rebalance our general liability portfolio and focus on growth in areas of the portfolio that we project will meet our profitability requirements.

Within our global insurance and reinsurance professional liability product lines, overall, we saw modest rate decreases driven by the continued rate decreases within our public directors and officers product line. Within this product line, we are contracting our new premium writings when we believe rates are inadequate and are also allowing business to lapse. In other professional liability product lines, particularly within our international portfolio and our U.S. commercial book, we are generally seeing small rate decreases; however, these pockets of the portfolio have performed well overall, and we are continuing to pursue growth opportunities where we find the business to be adequately priced.

Combined Ratio

For the quarter and six months ended June 30, 2024, the increase in our consolidated combined ratio compared to the same period of 2023 was primarily attributable to higher attritional loss ratios on our U.S. professional liability and general liability product lines, including significant losses on our intellectual property collateral protection insurance (IP CPI) product in our Insurance segment, partially offset by the impact of more favorable development on prior years loss reserves in 2024 compared to 2023.

Intellectual Property Collateral Protection Insurance

During the quarter and six months ended June 30, 2024, we recognized losses on our recently discontinued IP CPI product in our Insurance segment. The following table summarizes the losses recognized and their impact on our Insurance segment and consolidated combined ratios. For the quarter and six months ended June 30, 2023, losses recognized on our IP CPI product did not have a notable impact on our combined ratio.

(dollars in thousands)	Quarter Ended June 30, 2024			Six Months Ended June 30, 2024		
	Losses and loss adjustment expenses	Point impact on combined ratio ⁽¹⁾		Losses and loss adjustment expenses	Point impact on combined ratio ⁽¹⁾	
		Insurance segment	Consolidated		Insurance segment	Consolidated
Current accident year	\$ 52,296	2.9 %	2.5 %	\$ 67,175	1.8 %	1.6 %
Prior accident years	4,086	0.2 %	0.2 %	29,657	0.8 %	0.7 %
Total	\$ 56,382	3.1 %	2.7 %	\$ 96,832	2.6 %	2.3 %

⁽¹⁾ The impact on the combined ratio is calculated as associated net losses and loss adjustment expenses divided by total Insurance segment or consolidated earned premiums, as applicable. Earned premiums on our IP CPI product for the quarter and six months ended June 30, 2024 were not material.

Beginning in late 2023, we began to observe higher than expected levels of defaults on loans collateralized by intellectual property, for which we provide coverage to the lenders through our IP CPI product line. Furthermore, for loans that are in default, the intellectual property that serves as security for the loans has proven to be less valuable than we initially anticipated.

In response to these adverse developments and the product's ultimate inability to meet our profitability targets, we discontinued writing this product at the beginning of 2024. However, we continued to recognize losses on our IP CPI product line in the first half of 2024 as additional claim events occurred, which result from both a default on the loan and impairment of the underlying intellectual property. As of June 30, 2024, all losses on probable claims have been recognized, however, we believe the potential for additional claims over the next 12 to 18 months is reasonably possible, and such amounts could be material to our results of operations, financial condition and cash flows. However, we believe the impact of such losses in any future quarter is unlikely to be significantly more than what we recognized in each of the past two quarters.

Insurance Segment

(dollars in thousands)	Quarter Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Gross premium volume	\$ 2,514,654	\$ 2,455,403	2 %	\$ 4,723,241	\$ 4,553,341	4 %
Net written premiums	\$ 1,879,690	\$ 1,946,528	(3)%	\$ 3,634,419	\$ 3,648,669	0 %
Earned premiums	\$ 1,813,003	\$ 1,763,186	3 %	\$ 3,687,464	\$ 3,474,110	6 %
Underwriting profit	\$ 133,179	\$ 134,651	(1)%	\$ 240,489	\$ 231,155	4 %
Underwriting Ratios ⁽¹⁾						
			Point Change			Point Change
Loss ratio						
Current accident year loss ratio	65.7 %	61.2 %	4.5	64.9 %	62.1 %	2.8
Prior accident years loss ratio	(8.1)%	(3.5)%	(4.6)	(6.6)%	(3.6)%	(3.0)
Loss ratio	57.7 %	57.7 %	—	58.3 %	58.5 %	(0.2)
Expense ratio	35.0 %	34.6 %	0.4	35.2 %	34.8 %	0.4
Combined ratio	92.7 %	92.4 %	0.3	93.5 %	93.3 %	0.2

(1) Amounts may not reconcile due to rounding.

Premiums

The increase in gross premium volume in our Insurance segment for the quarter and six months ended June 30, 2024 was driven by new business growth and more favorable rates within our personal lines, programs, marine and energy and property product lines, partially offset by lower premium volume within select lines of our U.S. general liability product lines. For the six months ended June 30, 2024, the increase in gross premium volume was also partially offset by lower premium volume within select lines of our U.S. professional liability product lines. We have decreased writings within our risk-managed directors and officers professional liability product and our brokerage contractors, brokerage excess and umbrella and risk-managed excess casualty general liability products in response to underwriting actions aimed at achieving greater profitability within these product lines.

Net retention of gross premium volume was 75% for the quarter ended June 30, 2024 compared to 79% for the same period of 2023. Net retention of gross premium volume was 77% for the six months ended June 30, 2024 compared to 80% for the same period of 2023. The decrease in net retention for the quarter and six months ended June 30, 2024 was driven by higher cessions on our professional liability product lines in 2024 compared to 2023, as well as changes in mix of business as we grow our personal lines product lines, which have a higher cession rate than most of the segment.

The increase in earned premiums for the quarter and six months ended June 30, 2024 was primarily due to higher gross premium volume across most product lines in recent periods.

Combined Ratio: Quarter-to-Date

The increase in the Insurance segment's current accident year loss ratio for the quarter ended June 30, 2024 compared to the same period of 2023 was primarily attributable to higher attritional loss ratios within our U.S. professional liability product lines, including a three point impact of losses from our IP CPI product line, and our U.S. general liability product lines. We have increased our attritional loss ratios on certain product classes within our general liability and professional liability product lines in response to unfavorable loss development trends in recent periods.

The Insurance segment's combined ratio for the quarter ended June 30, 2024 included \$146.6 million of favorable development on prior accident years loss reserves compared to \$61.6 million for the same period of 2023. The increase in favorable development was primarily due to net favorable development on our general liability product lines in the second quarter of 2024, driven by our international business, compared to net adverse development on our general liability product lines in the same period of 2023, driven by our U.S. business. Additionally, we had more favorable development on our credit and surety product line in the second quarter of 2024 compared to the same period of 2023. We continue to approach reductions of prior year loss reserves on our long-tail U.S. professional liability and general liability product lines with caution given recent claims trends.

For the quarter ended June 30, 2024, favorable development was most significant on the more recent accident years within our international professional liability product lines, as well as on our credit and surety, property and personal lines product lines. The favorable development on prior years loss reserves in the second quarter of 2023 was most significant on our professional liability and property product lines.

The modest increase in the Insurance segment's expense ratio for the quarter ended June 30, 2024 compared to the same period of 2023 was primarily attributable to higher personnel costs and other general and administrative expenses, which were largely offset by a lower policy acquisition cost ratio.

Combined Ratio: Year-to-Date

The increase in the Insurance segment's current accident year loss ratio for the six months ended June 30, 2024 compared to the same period of 2023 was primarily attributable to higher attritional loss ratios within our U.S. professional liability product lines, including a two point impact of losses from our IP CPI product line, and our U.S. general liability product lines.

The Insurance segment's combined ratio for the six months ended June 30, 2024 included \$243.8 million of favorable development on prior accident years loss reserves compared to \$124.2 million for the same period of 2023. The increase in favorable development was primarily attributable to net favorable development on our general liability product lines during the first half of 2024, driven by our international business, compared to net adverse development on our general liability product lines in the same period of 2023, driven by our U.S. business.

For the six months ended June 30, 2024, we experienced net favorable development on all major product lines, with the most significant favorable development on our international professional liability product lines. The favorable development on prior years loss reserves in 2023 was most significant on our professional liability, property, marine and energy and workers' compensation product lines.

The modest increase in the Insurance segment's expense ratio for the six months ended June 30, 2024 compared to the same period of 2023 was primarily attributable to higher personnel costs and other general and administrative expenses, which were largely offset by a lower policy acquisition cost ratio and the favorable impact of higher earned premiums.

Reinsurance Segment

	Quarter Ended June 30,			Six Months Ended June 30,		
<i>(dollars in thousands)</i>	2024	2023	% Change	2024	2023	% Change
Gross premium volume	\$ 420,692	\$ 281,100	50 %	\$ 973,937	\$ 833,161	17 %
Net written premiums	\$ 399,588	\$ 261,496	53 %	\$ 877,069	\$ 777,587	13 %
Earned premiums	\$ 264,630	\$ 268,288	(1)%	\$ 517,969	\$ 525,522	(1)%
Underwriting profit	\$ 1,321	\$ 15,184	(91)%	\$ 13,331	\$ 39,418	(66)%
Underwriting Ratios ⁽¹⁾			Point Change			Point Change
Loss ratio						
Current accident year loss ratio	69.9 %	65.7 %	4.2	67.2 %	65.3 %	1.9
Prior accident years loss ratio	0.9 %	(3.0)%	3.9	1.1 %	(3.2)%	4.3
Loss ratio	70.8 %	62.7 %	8.1	68.3 %	62.1 %	6.2
Expense ratio	28.7 %	31.6 %	(2.9)	29.1 %	30.4 %	(1.3)
Combined ratio	99.5 %	94.3 %	5.2	97.4 %	92.5 %	4.9

⁽¹⁾ Amounts may not reconcile due to rounding.

Premiums

The increase in gross premium volume in our Reinsurance segment for the quarter ended June 30, 2024 was driven by the impact of favorable timing differences and increases on renewals, due to increased participation, within our professional liability product lines. The favorable timing differences within our professional liability product lines were the result of two large contracts written in the first quarter of 2023 that were renewed in the second quarter of 2024. For the six months ended June 30, 2024, the increase in gross premium volume was driven by higher gross premium volume within our marine and energy and general liability product lines, primarily attributable to new business and increases on renewals, as well as the impact of favorable timing differences and new business within our workers' compensation product line. For the six months ended June 30, 2024, these increases were partially offset by the impact of non-renewals of certain significant contracts within our professional liability product lines as a result of our continued focus on rate adequacy and only writing business that meets our underwriting profit targets. Significant variability in gross premium volume can be expected in our Reinsurance segment due to individually significant contracts and multi-year contracts.

Net retention of gross premium volume for the quarter ended June 30, 2024 was 95% compared to 93% for the same period of 2023. The increase of net retention for the quarter ended June 30, 2024 was driven by changes in mix of business, as our professional liability business is fully retained. Net retention of gross premium volume for the six months ended June 30, 2024 was 90% compared to 93% for the same period of 2023. The decrease in net retention for the six months ended June 30, 2024 was driven by the increased premium volume in our marine and energy business, which carries a higher cession rate than the segment.

The modest decrease in earned premiums for the quarter and six months ended June 30, 2024 was primarily due to lower gross premium volume within our professional liability product lines in recent periods, largely offset by higher gross premium volume within many of our other product lines in recent periods.

Combined Ratio: Quarter-to-Date

The increase in the Reinsurance segment's current accident year loss ratio for the quarter ended June 30, 2024 compared to the same period of 2023 was primarily due to the impact of unfavorable premium adjustments in 2024 compared to favorable premium adjustments in 2023, driven by our professional liability and general liability product lines.

The Reinsurance segment's combined ratio for the quarter ended June 30, 2024 included \$2.4 million of adverse development on prior accident years loss reserves. For the quarter ended June 30, 2023, the combined ratio included \$8.0 million of favorable development on prior accident years loss reserves, which was primarily attributable to modest favorable development across several product lines and accident years. This favorable development in 2023 was partially offset by adverse development and additional exposures recognized on prior accident years related to net favorable premium adjustments on our general liability product lines.

The decrease in the Reinsurance segment's expense ratio for the quarter ended June 30, 2024 compared to the same period of 2023 was primarily attributable to a lower policy acquisition cost ratio, driven by changes in mix of premium earnings as our professional liability business carries higher commission rates than the rest of the segment.

Combined Ratio: Year-to-Date

The increase in the Reinsurance segment's current accident year loss ratio for the six months ended June 30, 2024 compared to the same period of 2023 was primarily due to less favorable premium adjustments in 2024 compared to 2023, driven by our general liability and professional liability product lines.

The Reinsurance segment's combined ratio for the six months ended June 30, 2024 included a \$5.8 million increase in prior accident years loss reserves, which was primarily attributable to additional exposures recognized on prior accident years related to net favorable premium adjustments on our general liability product lines. For the six months ended June 30, 2023, the combined ratio included \$16.7 million of favorable development on prior accident years loss reserves, which was primarily attributable to favorable development on our professional liability and property product lines across several accident years. This favorable development in 2023 was partially offset by adverse development and additional exposures recognized on prior accident years related to net favorable premium adjustments on our general liability product lines.

The decrease in the Reinsurance segment's expense ratio for the six months ended June 30, 2024 compared to the same period of 2023 was primarily attributable to a lower policy acquisition cost ratio, driven by changes in mix of premium earnings as our professional liability business carries higher commission rates than the rest of the segment.

Other Insurance Operations

The following table presents the components of operating revenues and operating income attributable to our other insurance operations, which are not included in a reportable segment. We do not allocate amortization of acquired intangible assets to our operating segments, including our other insurance operations.

	Quarter Ended June 30,			
	2024		2023	
	Operating revenues	Operating income (loss)	Operating revenues	Operating income (loss)
<i>(dollars in thousands)</i>				
Program services and other fronting	\$ 46,883	\$ 34,855	\$ 37,680	\$ 30,596
Program services - disposition gain	—	—	16,923	16,923
Insurance-linked securities	21,834	3,474	20,803	1,762
Life and annuity ⁽¹⁾	(10)	(3,059)	23	(3,717)
Markel CATCo Re ⁽²⁾	—	8,374	—	8,673
Other	2,462	(948)	2,309	(2,256)
	71,169	42,696	77,738	51,981
Underwriting ⁽³⁾	(534)	(271)	(331)	(4,455)
Other insurance operations	\$ 70,635	\$ 42,425	\$ 77,407	\$ 47,526

(1) Investment income earned on the investments that support life and annuity policy benefit reserves is included in our Investing segment.

(2) Results attributable to Markel CATCo Re for all periods were entirely attributable to noncontrolling interest holders in Markel CATCo Re. See note 12.

(3) Underwriting results attributable to our other insurance operations include results from discontinued lines of business and the retained portion of our program services and other fronting operations.

	Six Months Ended June 30,			
	2024		2023	
	Operating revenues	Operating income (loss)	Operating revenues	Operating income (loss)
<i>(dollars in thousands)</i>				
Program services and other fronting	\$ 83,076	\$ 63,409	\$ 66,870	\$ 52,499
Program services - disposition gain	—	—	16,923	16,923
Insurance-linked securities	41,074	(2,130)	30,581	(2,861)
Life and annuity ⁽¹⁾	(18)	(6,221)	48	(6,898)
Markel CATCo Re ⁽²⁾	—	24,055	—	53,465
Other	5,128	(1,720)	5,544	(2,792)
	129,260	77,393	119,966	110,336
Underwriting ⁽³⁾	(707)	(18,463)	(785)	(6,208)
Other insurance operations	\$ 128,553	\$ 58,930	\$ 119,181	\$ 104,128

(1) Investment income earned on the investments that support life and annuity policy benefit reserves is included in our Investing segment.

(2) Results attributable to Markel CATCo Re for all periods were entirely attributable to noncontrolling interest holders in Markel CATCo Re. See note 12.

(3) Underwriting results attributable to our other insurance operations include results from discontinued lines of business and the retained portion of our program services and other fronting operations.

Program Services and Other Fronting

The increase in operating revenues and operating income within our program services and other fronting operations for the quarter and six months ended June 30, 2024 was due to higher gross premium volume in 2024 compared to the same period of 2023. The following table summarizes gross premium volume in our program services and other fronting operations.

<i>(dollars in thousands)</i>	Quarter Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Program services	\$ 978,848	\$ 883,369	11 %	\$ 1,834,252	\$ 1,502,719	22 %
Other fronting	\$ 811,895	\$ 170,240	377 %	\$ 1,120,724	\$ 328,644	241 %

The increase in gross premium volume within our program services operations for the quarter and six months ended June 30, 2024 was primarily attributable to expansion of existing programs. For the quarter and six months ended June 30, 2024, the increase in gross premium volume in our other fronting operations, which represents business written on behalf of our Nephila ILS operations, was driven by favorable timing differences, as well as increases on renewals. For the six months ended June 30, 2024, the increase in gross premium volume was also driven by growth of our property catastrophe and specialty programs with the Nephila Reinsurers.

In June 2023, we sold a subsidiary within our program services operations, which resulted in a gain of \$16.9 million.

Insurance-Linked Securities

The increase in operating revenues in our Nephila insurance-linked securities operations for the quarter and six months ended June 30, 2024 was primarily due to changes in the mix of investment products within the funds. Nephila's net assets under management were \$6.6 billion as of June 30, 2024.

Underwriting

For the six months ended June 30, 2024, the underwriting operating loss in our other insurance operations was primarily attributable to loss adjustment expenses related to asbestos and environmental exposures. Development on asbestos and environmental loss reserves is monitored separately from our ongoing underwriting operations and is not included in the Insurance or Reinsurance segments.

Investing Results

We measure our investment performance by analyzing net investment income, which reflects the recurring interest and dividend earnings on our investment portfolio. We also analyze net investment gains, which include unrealized gains and losses on our equity portfolio. Based on the potential for volatility in the financial markets, we understand that the level of gains or losses may vary from one period to the next, and therefore believe that our investment performance is best analyzed over longer periods of time. As of June 30, 2024, the fair value of our equity portfolio included cumulative unrealized gains of \$6.9 billion.

The following table summarizes our consolidated investment performance, which consists predominantly of the results of our Investing segment. Net investment gains or losses in any given period are typically attributable to changes in the fair value of our equity portfolio due to market value movements. The change in net unrealized losses on available-for-sale investments in any given period is typically attributable to changes in the fair value of our fixed maturity portfolio due to changes in interest rates during the period. As of June 30, 2024, 98% of our fixed maturity portfolio was rated "AA" or better.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net investment income	\$ 223,061	\$ 169,693	\$ 441,330	\$ 329,028
Yield on fixed maturity securities ⁽¹⁾	3.1 %	2.6 %	3.2 %	2.6 %
Yield on short-term investments ⁽¹⁾	4.7 %	4.3 %	4.8 %	4.2 %
Yield on cash and cash equivalents and restricted cash and cash equivalents ⁽¹⁾	4.0 %	2.8 %	3.7 %	2.4 %
Net realized investment gains (losses)	\$ (14,007)	\$ 1,155	\$ (18,495)	\$ (2,066)
Change in fair value of equity securities	(116,010)	483,372	790,759	859,156
Net investment gains (losses)	\$ (130,017)	\$ 484,527	\$ 772,264	\$ 857,090
Return on equity securities ⁽²⁾	(0.8)%	6.3 %	8.9 %	11.8 %
Other ⁽³⁾	\$ 9,357	\$ (6,378)	\$ 30,203	\$ (8,758)
Change in net unrealized losses on available-for-sale investments	\$ (36,598)	\$ (170,570)	\$ (192,367)	\$ 37,799

⁽¹⁾ Yields reflect the applicable annualized interest income as a percentage of the applicable monthly average invested assets at amortized cost.

⁽²⁾ Return on equity securities is calculated by dividing dividends and the change in fair value of equity securities by the monthly average equity securities at fair value and considers the timing of net purchases and sales.

⁽³⁾ Other income or losses within our investing operations primarily relate to equity method investments in our investing segment, which are managed separately from the rest of our investment portfolio.

For the quarter and six months ended June 30, 2024, net investment income increased 31% and 34%, respectively, primarily driven by higher interest income on fixed maturity securities due to a higher yield and higher average holdings of fixed maturity securities in 2024 compared to 2023. During 2024, we have continued to allocate cash and short-term investments to fixed maturity securities to take advantage of high interest rates and to support our growing underwriting business. The book yield on our fixed maturity portfolio at June 30, 2024 was 3.4%. Additionally, interest income on our cash equivalents and short-term investments increased due to higher short-term interest rates and a higher portion of our cash being invested in money market funds during the quarter and six months ended June 30, 2024 compared to the same periods of 2023. See note 4(d) of the notes to consolidated financial statements for details regarding the components of net investment income.

Markel Ventures Results

We measure the operating performance of our Markel Ventures segment by its operating income, as well as earnings before interest, income taxes, depreciation and amortization (EBITDA). We consolidate the results of our Markel Ventures subsidiaries on a one-month lag, with the exception of significant transactions or events that occur during the intervening period. The following table summarizes the results from our Markel Ventures segment.

<i>(dollars in thousands)</i>	Quarter Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Operating revenues	\$ 1,453,781	\$ 1,386,579	5 %	\$ 2,594,387	\$ 2,491,259	4 %
Segment operating income	\$ 177,498	\$ 170,050	4 %	\$ 281,413	\$ 262,228	7 %
EBITDA	\$ 207,139	\$ 197,469	5 %	\$ 340,784	\$ 317,010	7 %

The increases in operating revenues for the quarter and six months ended June 30, 2024 compared to the same periods of 2023 were driven by higher revenues across many of our products businesses, due in part to increased demand. Additionally, higher revenues reflect the impact of an acquisition made by one of our consumer and building products businesses in the first quarter of 2024. For the six months ended June 30, 2024, the increase in operating revenues also reflects the impact of increased demand at one of our construction services businesses. For both the quarter and six months ended June 30, 2024, the increases in operating revenues were partially offset by the impact of decreased demand and lower prices at one of our transportation-related businesses.

The increases in segment operating income and EBITDA for the quarter and six months ended June 30, 2024 compared to the same periods of 2023 were driven by our consumer and building products businesses, due to higher revenues and higher operating margins as a result of declines in the cost of materials, freight and labor. The increases in segment operating income and EBITDA for the quarter and six months ended June 30, 2024 were partially offset by the impact of lower operating margins at our construction services businesses and lower revenues and operating margins at one of our transportation-related businesses.

Markel Ventures segment EBITDA is a non-GAAP financial measure. We use Markel Ventures segment EBITDA as an operating performance measure in conjunction with our segment performance metric, segment operating income, to monitor and evaluate the performance of our Markel Ventures segment. Because EBITDA excludes interest, income taxes, depreciation and amortization, it provides an indicator of economic performance that is useful to both management and investors in evaluating our Markel Ventures businesses as it is not affected by levels of debt, interest rates, effective tax rates or levels of depreciation or amortization resulting from purchase accounting. The following table reconciles Markel Ventures segment operating income to EBITDA.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Markel Ventures segment operating income	\$ 177,498	\$ 170,050	\$ 281,413	\$ 262,228
Depreciation expense	29,641	27,419	59,371	54,782
Markel Ventures segment EBITDA	\$ 207,139	\$ 197,469	\$ 340,784	\$ 317,010

Other

The following table presents the components of consolidated net income that are not allocated to our operating segments.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Amortization of acquired intangible assets	\$ 44,237	\$ 44,423	\$ 88,522	\$ 88,822
Interest expense	\$ 52,597	\$ 47,221	\$ 98,145	\$ 96,659
Net foreign exchange (gains) losses	\$ (8,711)	\$ 14,976	\$ (60,211)	\$ 47,904
Income tax expense	\$ 76,244	\$ 191,937	\$ 368,800	\$ 325,668
Effective tax rate			22 %	21 %

Interest Expense

The increase in interest expense for the quarter and six months ended June 30, 2024 was attributable to the impact of the issuance of 6.0% unsecured senior notes in May 2024. For the six months ended June 30, 2024, the increase in interest expense was partially offset by the impact of the retirement of our 3.625% unsecured senior notes in March 2023 and lower debt held by our Markel Ventures subsidiaries.

Net Foreign Exchange Gains (Losses)

Net foreign exchange gains (losses) are primarily due to the remeasurement of our foreign currency denominated insurance loss reserves to the U.S. Dollar. The predominant foreign currencies within our insurance operations are the British Pound and the Euro. The U.S. Dollar strengthened against the Euro and British Pound during the first half of 2024, while it weakened against the British Pound and Euro during the first half of 2023. Pre-tax net foreign exchange gains and losses attributed to changes in exchange rates on available-for-sale securities supporting our insurance reserves, which are included in the changes in net unrealized losses on available-for-sale investments in other comprehensive income (loss), were losses of \$3.1 million and \$45.5 million for the quarter and six months ended June 30, 2024, respectively, compared to gains of \$1.2 million and \$35.2 million for the same periods of 2023.

Income Taxes

The increase in the effective tax rate for the six months ended June 30, 2024 compared to the same period of 2023 was due to higher state taxes and a decrease in Markel CATCo Re income not subject to tax in 2024 compared to 2023.

Comprehensive Income to Shareholders

The following table summarizes the components of comprehensive income to shareholders.

<i>(dollars in thousands)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income to shareholders	\$ 267,701	\$ 695,511	\$ 1,292,885	\$ 1,184,163
Other comprehensive income (loss):				
Change in net unrealized losses on available-for-sale investments, net of taxes	(28,870)	(134,586)	(151,572)	29,614
Change in discount rate for life and annuity benefits, net of taxes	5,973	3,224	12,391	(5,828)
Other, net of taxes	(436)	379	(891)	2,976
Other comprehensive (income) loss attributable to noncontrolling interest	(12)	21	(72)	(11)
Other comprehensive income (loss) to shareholders	(23,345)	(130,962)	(140,144)	26,751
Comprehensive income to shareholders	\$ 244,356	\$ 564,549	\$ 1,152,741	\$ 1,210,914

Financial Condition

Liquidity and Capital Resources

We seek to maintain prudent levels of liquidity and financial leverage for the benefit and protection of our policyholders, creditors and shareholders. Our consolidated debt to capital ratio was 22% at June 30, 2024 and 20% at December 31, 2023, both of which are within the range of our target capital structure. The increase reflects the impact of an increase in senior long-term debt and other debt, primarily attributable to senior notes issued in May 2024.

In May 2024, we issued \$600 million of 6.0% unsecured senior notes due May 2054 with net proceeds of \$592.6 million, before expenses. We intend to use these proceeds for general corporate purposes, which may include the redemption, in whole or in part, of our outstanding preferred shares. As of June 30, 2024, we had 600,000 preferred shares issued and outstanding, which we have the option to redeem, in whole or in part, on June 1, 2025, at \$1,000 per preferred share, plus accrued and unpaid dividends.

Investments, cash and cash equivalents and restricted cash and cash equivalents (invested assets) were \$32.6 billion and \$30.9 billion at June 30, 2024 and December 31, 2023, respectively. The following table presents the composition of our invested assets.

	June 30, 2024	December 31, 2023
Fixed maturity securities	46 %	47 %
Equity securities	33 %	31 %
Short-term investments, cash and cash equivalents and restricted cash and cash equivalents	21 %	22 %
Total	100 %	100 %

Our holding company had \$4.0 billion and \$3.5 billion of invested assets at June 30, 2024 and December 31, 2023, respectively. The increase was primarily due to net proceeds from our May 2024 debt offering, as well as an increase in the fair value of equity securities held by our holding company, partially offset by cash used to repurchase shares of our common stock. The following table presents the composition of our holding company's invested assets.

	June 30, 2024	December 31, 2023
Fixed maturity securities	3 %	4 %
Equity securities	48 %	49 %
Short-term investments, cash and cash equivalents and restricted cash and cash equivalents	49 %	47 %
Total	100 %	100 %

We have a share repurchase program, authorized by our Board of Directors, that provides for the repurchase of up to \$750 million of common stock. As of June 30, 2024, \$456.2 million remained available for repurchases under the program. This share repurchase program has no expiration date but may be terminated by the Board of Directors at any time.

We may from time to time seek to prepay, retire or repurchase our outstanding senior notes or preferred shares, through open market purchases, privately negotiated transactions or otherwise. Those prepayments, retirements or repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

We have access to various capital sources, including dividends from our subsidiaries, holding company invested assets, undrawn capacity under our revolving credit facility and access to the debt and equity capital markets. We believe we have, or have access to, adequate liquidity to meet our capital and operating needs, including that which may be required to support the operating needs of our subsidiaries. However, the availability of these sources of capital and the availability and terms of future financings will depend on a variety of factors.

Cash Flows

Net cash provided by operating activities was \$1.2 billion for the six months ended June 30, 2024 compared to \$1.0 billion for the same period of 2023. The increase in net cash flows from operating activities for the six months ended June 30, 2024 compared to the same period in 2023 was primarily due to higher net premium collections. Additionally, during the six months ended June 30, 2023, a payment of \$125.1 million was made to complete a retroactive reinsurance transaction to cede our portfolio of policies comprised of liabilities related to our run-off book of U.K. motor casualty business.

Net cash used by investing activities was \$1.6 billion for the six months ended June 30, 2024 compared to \$373.6 million for the same period of 2023. During the six months ended June 30, 2024, net cash used by investing activities included net purchases of fixed maturity securities, equity securities and short-term investments of \$785.1 million, \$223.3 million and \$161.3 million, respectively. Net cash used by investing activities in 2024 also included \$154.4 million of net cash used for the acquisition of Valor. During the six months ended June 30, 2023, net cash used by investing activities included net purchases of fixed maturity securities and equity securities of \$778.2 million and \$154.6 million, respectively, and net sales of short-term investments of \$675.3 million. Cash flows from investing activities is affected by various factors such as anticipated payment of claims, financing activity, acquisition opportunities and individual buy and sell decisions made in the normal course of our investment portfolio management.

Net cash provided by financing activities was \$255.2 million for the six months ended June 30, 2024, which included net proceeds of \$592.6 million from our May 2024 debt offering, as previously discussed. Net cash used by financing activities was \$629.9 million for the six months ended June 30, 2023, which included a payment of \$250 million to retire our 3.625% unsecured senior notes due March 30, 2023. Additionally, financing activities during the six months ended June 30, 2024 and 2023 reflected borrowings and repayments of debt at certain our Market Ventures businesses, primarily on revolving lines of credit. Cash of \$260.2 million and \$187.2 million was used to repurchase shares of our common stock during the first six months of 2024 and 2023, respectively.

Critical Accounting Estimates

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

Our critical accounting estimates consist of estimates and assumptions used in determining the reserves for unpaid losses and loss adjustment expenses as well as estimates and assumptions used in the valuation of goodwill and intangible assets. We review the adequacy of reserves for unpaid losses and loss adjustment expenses quarterly. Estimates and assumptions for goodwill and intangible assets are reviewed in conjunction with acquisitions and impairment assessments. Goodwill and indefinite-lived intangible assets are reassessed for impairment at least annually. All intangible assets, including goodwill, are also reviewed for impairment when events or circumstances indicate that their carrying value may not be recoverable. Actual results may differ materially from the estimates and assumptions used in preparing the consolidated financial statements.

Readers are urged to review our 2023 Annual Report on Form 10-K for a more complete description of our critical accounting estimates.

Safe Harbor and Cautionary Statement

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

There are risks and uncertainties that may cause actual results to differ materially from predicted results in forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Additional factors that could cause actual results to differ from those predicted are set forth under "Business," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk" in our 2023 Annual Report on Form 10-K or under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk" in this report, or are included in the items listed below:

- the effect of cyclical trends or changes in market conditions on our Insurance, Investments and Market Ventures operations, including demand and pricing in the markets in which we operate;
- actions by competitors, including the use of technology and innovation to simplify the customer experience, increase efficiencies, redesign products, alter models and effect other potentially disruptive changes in the insurance industry, and the effect of competition on market trends and pricing;
- our efforts to develop new products, expand in targeted markets or improve business processes and workflows may not be successful and may increase or create new risks (e.g., insufficient demand, change to risk exposures, distribution channel conflicts, execution risk, regulatory risk, increased expenditures);
- the frequency and severity of man-made, health-related and natural catastrophes may exceed expectations, are unpredictable and, in the case of some natural catastrophes, may be exacerbated by changing conditions in the climate, oceans and atmosphere, resulting in increased frequency and/or severity of extreme weather-related events;
- we offer insurance and reinsurance coverage against terrorist acts in connection with some of our programs, and in other instances we are legally required to offer terrorism insurance; in both circumstances, we actively manage our exposure, but if there is a covered terrorist attack, we could sustain material losses;

- emerging claim and coverage issues, changing industry practices and evolving legal, judicial, social and other claims and coverage trends or conditions, can increase the scope of coverage, the frequency and severity of claims and the period over which claims may be reported; these factors, as well as uncertainties in the loss estimation process, can adversely impact the adequacy of our loss reserves and our allowance for reinsurance recoverables;
- reinsurance reserves are subject to greater uncertainty than insurance reserves, primarily because of reliance upon the original underwriting decisions made by ceding companies and the longer lapse of time from the occurrence of loss events to their reporting to the reinsurer for ultimate resolution;
- inaccuracies (whether due to data error, human error or otherwise) in the various modeling techniques and data analytics (e.g., scenarios, predictive and stochastic modeling, and forecasting) we use to analyze and estimate exposures, loss trends and other risks associated with our insurance and insurance-linked securities businesses could cause us to misprice our products or fail to appropriately estimate the risks to which we are exposed;
- changes in the assumptions and estimates used in establishing reserves for our life and annuity reinsurance book (which is in runoff), for example, changes in assumptions and estimates of mortality, longevity, morbidity and interest rates, could result in material changes in our estimated loss reserves for that business;
- adverse developments in insurance coverage litigation or other legal or administrative proceedings could result in material increases in our estimates of loss reserves;
- initial estimates for catastrophe losses and other significant, infrequent events are often based on limited information, are dependent on broad assumptions about the nature and extent of losses, coverage, liability and reinsurance, and those losses may ultimately differ materially from our expectations;
- changes in the availability, costs, quality and providers of reinsurance coverage, which may impact our ability to write, or continue to write, certain lines of business or to mitigate the volatility of losses on our results of operations and financial condition;
- the ability or willingness of reinsurers to pay balances due may be adversely affected by industry and economic conditions, deterioration in reinsurer credit quality and coverage disputes, and collateral we hold, if any, may not be sufficient to cover a reinsurer's obligation to us;
- after the commutation of ceded reinsurance contracts, any subsequent adverse development in the re-assumed loss reserves will result in a charge to earnings;
- regulatory actions can impede our ability to charge adequate rates and efficiently allocate capital;
- general economic and market conditions and industry specific conditions, including: extended economic recessions or expansions; prolonged periods of slow economic growth; inflation or deflation; fluctuations in foreign currency exchange rates, commodity and energy prices and interest rates; volatility in the credit and capital markets; and other factors;
- economic conditions, actual or potential defaults in corporate bonds, municipal bonds, mortgage-backed securities or sovereign debt obligations, volatility in interest and foreign currency exchange rates, changes in U.S. government debt ratings and changes in market value of concentrated investments can have a significant impact on the fair value of our fixed maturity securities and equity securities, as well as the carrying value of our other assets and liabilities, and this impact may be heightened by market volatility and our ability to mitigate our sensitivity to these changing conditions;
- economic conditions may adversely affect our access to capital and credit markets;
- the effects of government intervention, including material changes in the monetary policies of central banks, to address financial downturns, inflation and other economic and currency concerns;
- the impacts that political and civil unrest and regional conflicts may have on our businesses and the markets they serve or that any disruptions in regional or worldwide economic conditions generally arising from these situations may have on our businesses, industries or investments;
- the impacts of liability, transition and physical risks associated with climate change;
- the significant volatility, uncertainty and disruption caused by health epidemics and pandemics, as well as governmental, legislative, judicial or regulatory actions or developments in response thereto;
- changes in U.S. tax laws, regulations or interpretations, or in the tax laws, regulations or interpretations of other jurisdictions in which we operate, and adjustments we may make in our operations or tax strategies in response to those changes;
- a failure or security breach of, or cyberattack on, enterprise information technology systems that we, or third parties who perform certain functions for us, use or a failure to comply with data protection or privacy regulations;

- third-party providers may perform poorly, breach their obligations to us or expose us to enhanced risks;
- our acquisitions may increase our operational and internal control risks for a period of time;
- we may not realize the contemplated benefits, including cost savings and synergies, of our acquisitions;
- any determination requiring the write-off of a significant portion of our goodwill and intangible assets;
- the failure or inadequacy of any methods we employ to manage our loss exposures;
- the loss of services of any senior executive or other key personnel, or an inability to attract and retain qualified personnel, for our businesses could adversely impact one or more of our operations;
- the manner in which we manage our global operations through a network of business entities could result in inconsistent management, governance and oversight practices and make it difficult for us to implement strategic decisions and coordinate procedures;
- our substantial international operations and investments expose us to increased political, civil, operational and economic risks, including foreign currency exchange rate and credit risk;
- our ability to obtain additional capital for our operations on terms favorable to us;
- the compliance, or failure to comply, with covenants and other requirements under our credit facilities, senior debt and other indebtedness and our preferred shares;
- our ability to maintain or raise third-party capital for existing or new investment vehicles and risks related to our management of third-party capital;
- the effectiveness of our procedures for compliance with existing and future guidelines, policies and legal and regulatory standards, rules, laws and regulations;
- the impact of economic and trade sanctions and embargo programs on our businesses, including instances in which the requirements and limitations applicable to the global operations of U.S. companies and their affiliates are more restrictive than, or conflict with, those applicable to non-U.S. companies and their affiliates;
- regulatory changes, or challenges by regulators, regarding the use of certain issuing carrier or fronting arrangements;
- our dependence on a limited number of brokers for a large portion of our revenues and third-party capital;
- adverse changes in our assigned financial strength, debt or preferred share ratings or outlook could adversely impact us, including our ability to attract and retain business, the amount of capital our insurance subsidiaries must hold and the availability and cost of capital;
- changes in the amount of statutory capital our insurance subsidiaries are required to hold, which can vary significantly and is based on many factors, some of which are outside our control;
- losses from litigation and regulatory investigations and actions; and
- a number of additional factors may adversely affect our Markel Ventures businesses, and the markets they serve, and negatively impact their revenues and profitability, including, among others: adverse weather conditions, plant disease and other contaminants; changes in government support for education, healthcare and infrastructure projects; changes in capital spending levels; changes in the housing, commercial and industrial construction markets; liability for environmental matters; supply chain and shipping issues, including increases in freight costs; volatility in the market prices for their products; and volatility in commodity, wholesale and raw materials prices and interest and foreign currency exchange rates.

Results from our Insurance, Investments and Markel Ventures operations have been and will continue to be potentially materially affected by these factors.

By making forward-looking statements, we do not intend to become obligated to publicly update or revise any such statements whether as a result of new information, future events or other changes. Readers are cautioned not to place undue reliance on any forward-looking statements, which are based on our current knowledge and speak only as at their dates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of economic losses due to adverse changes in the estimated fair value of a financial instrument as the result of changes in equity prices, interest rates, foreign currency exchange rates and commodity prices. Our consolidated balance sheets include assets and liabilities with estimated fair values that are subject to market risk. Our primary market risks are equity price risk associated with investments in equity securities, interest rate risk associated with investments in fixed maturity securities and foreign currency exchange rate risk associated with our international operations. During the six months ended June 30, 2024, there were no material changes in our market risk exposures from those described in our 2023 Annual Report on Form 10-K.

Credit Risk

Credit risk, which is not considered a market risk, is the risk that an entity becomes unable or unwilling to fulfill their obligations to us. Our primary credit risks are the credit risk within our fixed maturity portfolio and the credit risk related to our reinsurance recoverables within our underwriting, program services and other fronting operations. During the six months ended June 30, 2024, there were no material changes in our credit risk exposures from those described in our 2023 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this quarterly report, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (Disclosure Controls), as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (Exchange Act). This evaluation was conducted under the supervision and with the participation of our management, including the Principal Executive Officer (PEO) and the Principal Financial Officer (PFO).

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

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the second quarter of 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Thomas Yeransian v. Markel Group Inc.

We previously reported that Thomas Yeransian, in his capacity as the representative of holders of certain contingent value rights, filed three suits against the Company:

- Thomas Yeransian v. Markel Corporation (U.S. District Court for the District of Delaware), filed September 15, 2016;
- Thomas Yeransian v. Markel Corporation (U.S. District Court for the District of Delaware), filed November 13, 2018; and
- Thomas Yeransian v. Markel Corporation (U.S. District Court for the District of Delaware), filed June 5, 2020.

The three suits were consolidated. On June 8, 2023, the District Court ruled in favor of the Company and against Mr. Yeransian on all counts. On July 7, 2023, Mr. Yeransian appealed the District Court's decision to the United States Court of Appeals for the Third Circuit. On June 11, 2024, the Appellate Court affirmed the order entered by the District Court on June 8, 2023. For additional information regarding these three suits, see Item 3 Legal Proceedings in our 2023 Annual Report on Form 10-K.

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

The following table summarizes our common share repurchases for the quarter ended June 30, 2024.

	Issuer Purchases of Equity Securities			
	(a)	(b)	(c)	(d)
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
April 1, 2024 through April 30, 2024	27,720	\$ 1,469.02	27,720	\$ 512,734
May 1, 2024 through May 31, 2024	16,769	\$ 1,610.01	16,769	\$ 485,736
June 1, 2024 through June 30, 2024	18,808	\$ 1,571.23	18,808	\$ 456,184
Total	63,297	\$ 1,536.74	63,297	\$ 456,184

⁽¹⁾ The Board of Directors approved the repurchase of up to \$750 million of our common shares pursuant to a share repurchase program publicly announced in November 2023. Under our share repurchase program, we may repurchase outstanding common shares of our stock from time to time in privately negotiated or open market transactions, including under plans complying with Rule 10b5-1 and Rule 10b-18 under the Exchange Act. The share repurchase program has no expiration date but may be terminated by the Board at any time.

Item 5. Other Information

Adoption or Termination of Trading Arrangements by Directors or Officers

During the Company's quarterly period ended June 30, 2024, no director or officer (as defined in Exchange Act Rule 16a-1(f)) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as defined in Regulation S-K Item 408.

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Document Description</u>
3.1(a)	Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 in the Registrant's report on Form 8-K filed with the Commission May 13, 2011)
3.1(b)	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 in the Registrant's report on Form 8-K filed with the Commission May 27, 2020)
3.1(c)	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from Exhibit 3.1 in the Registrant's report on Form 8-K filed with the Commission May 16, 2023)
3.2	Bylaws, as amended and restated May 26, 2023 (incorporated by reference from Exhibit 3.2 in the Registrant's report on Form 10-Q filed with the Commission August 2, 2023)
4.1(a)	Indenture dated as of June 5, 2001, between Markel Corporation and The Chase Manhattan Bank, as Trustee (incorporated by reference from Exhibit 4.1 in the Registrant's report on Form 8-K filed with the Commission June 5, 2001)
4.1(b)	Form of Third Supplemental Indenture dated as of August 13, 2004 between Markel Corporation and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.2 in the Registrant's report on Form 8-K filed with the Commission August 11, 2004)
4.1(c)	Form of Ninth Supplemental Indenture dated as of March 8, 2013 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.3 in the Registrant's report on Form 8-K filed with the Commission March 7, 2013)
4.1(d)	Form of Tenth Supplemental Indenture dated as of April 5, 2016 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.2 in the Registrant's report on Form 8-K filed with the Commission March 31, 2016)
4.1(e)	Eleventh Supplemental Indenture dated as of November 2, 2017 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.2 in the Registrant's report on Form 8-K filed with the Commission November 2, 2017)
4.1(f)	Twelfth Supplemental Indenture dated as of November 2, 2017 between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.3 in the Registrant's report on Form 8-K filed with the Commission November 2, 2017)
4.1(g)	Thirteenth Supplemental Indenture, dated as of May 20, 2019, between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.2 in the Registrant's report on Form 8-K filed with the Commission May 20, 2019)
4.1(h)	Fourteenth Supplemental Indenture, dated as of September 17, 2019, between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.2 in the Registrant's report on Form 8-K filed with the Commission September 17, 2019)
4.1(i)	Fifteenth Supplemental Indenture, dated as of September 17, 2019, between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.3 in the Registrant's report on Form 8-K filed with the Commission September 17, 2019)
4.1(j)	Sixteenth Supplemental Indenture, dated as of May 7, 2021, between Markel Corporation and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.2 in the Registrant's report on Form 8-K filed with the Commission May 7, 2021)
4.1(k)	Seventeenth Supplemental Indenture, dated as of May 16, 2024, between Markel Group Inc. and The Bank of New York Mellon (as successor to The Chase Manhattan Bank), as Trustee, including form of the securities as Exhibit A (incorporated by reference from Exhibit 4.2 in the Registrant's report on Form 8-K filed with the Commission May 16, 2024)

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The registrant hereby agrees to furnish to the Securities and Exchange Commission, upon request, a copy of all other instruments defining the rights of holders of long-term debt of the registrant and its subsidiaries.

10.1	2024 Equity Incentive Compensation Plan (incorporated by reference from Exhibit 10.1 in the Registrant's report on Form 8-K filed with the Commission May 24, 2024)*
10.2	Markel Group Inc. 2020 Employee Stock Purchase Plan* **
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a)**
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a)**
32.1	Certification furnished Pursuant to 18 U.S.C. Section 1350**
101	The following consolidated financial statements from Markel Group Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, filed on July 31, 2024, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income and Comprehensive Income, (iii) Consolidated Statements of Changes in Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) Notes to Consolidated Financial Statements.**
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Indicates management contract or compensatory plan or arrangement

** Filed with this report

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 31st day of July 2024.

Markel Group Inc.

By: /s/ Thomas S. Gayner
Thomas S. Gayner
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Brian J. Costanzo
Brian J. Costanzo
Chief Financial Officer
(Principal Financial Officer)

MARKEL GROUP INC.
2020 EMPLOYEE STOCK PURCHASE PLAN
EFFECTIVE May 18, 2020

1. Purpose

The purpose of the Plan is to provide Eligible Employees of Markel and each of its Designated Subsidiaries with the opportunity to purchase Stock in Markel, thereby encouraging employees to share in the economic growth and success of the company through Stock ownership.

The Plan is divided into two components: a component that is intended to constitute an "employee stock purchase plan" within the meaning of Section 423 of the Code (the "Qualified Plan Component") and a component that does not constitute an "employee stock purchase plan" within the meaning of Section 423 of the Code (the "Non-Qualified Plan Component"). Markel intends that any ambiguity in the Qualified Plan Component or any Qualified Offering (as defined below) be resolved to effect its intent that the Qualified Plan Component constitute an "employee stock purchase plan" as so defined.

The Plan supersedes and replaces the Markel Corporation 2016 Employee Stock Purchase and Bonus Plan (the "Prior Plan"). No further shares of Common Stock will be purchased under the Prior Plan on or after the effective date of this Plan. However, any Stock Bonus Awards, Special Stock Bonus Awards and Company Incentive Payments under the Prior Plan that are outstanding as of the effective date of the Plan with respect to shares purchased or Loans borrowed under the Prior Plan prior to the effective date of the Plan shall remain outstanding and payable in accordance with the terms and conditions of the Prior Plan. In addition, all Loans under the Prior Plan outstanding as of the effective date of the Plan shall remain outstanding and repayable in accordance with the terms and conditions of the Prior Plan. After settlement or repayment of all such outstanding awards and Loans, the Prior Plan shall terminate.

2. Effective Date

This Plan shall become effective on May 18, 2020, subject to approval by Markel's shareholders.

3. Definitions

3.1 "Account" shall mean the separate bookkeeping account which shall be established and maintained by the Administrator for each Participant for each Offering Period to record the Contributions made on his or her behalf to purchase Stock under the Plan.

3.2 "Administrator" shall mean the Compensation Committee of the Board of Directors of Markel or a duly-authorized delegate.

3.3 "Beneficiary" shall mean the one or more persons designated by the Participant in accordance with the procedures established by the Administrator who is entitled to receive amounts contributed by the Participant and/or act on behalf of the Participant pursuant to section 12.

3.4 "Board" shall mean the Board of Directors of Markel.

3.5 "Change in Control" shall mean an occurrence of any of the following events: (a) an acquisition (other than directly from Markel) of any voting securities of Markel (the "Voting Securities") by any "person or group" (within the meaning of section 13(d)(3) or 14(d)(2) of the Exchange Act) other than an employee benefit plan of Markel, immediately after which such person or group has "Beneficial Ownership" (within the meaning of Rule 13d-3 of the Exchange Act) of more than fifty percent (50%) of the combined voting power of Markel's then outstanding Voting Securities; or (b) the consummation of (i) a merger, consolidation or reorganization involving Markel, unless (A) the shareholders of Markel immediately before such merger, consolidation or reorganization own, directly or indirectly immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the entity resulting from such merger, consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership immediately before such merger, consolidation or reorganization, and (B) at least a majority of the members of the Board of Directors of the Surviving Corporation were directors of Markel immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization, or (ii) a complete liquidation or dissolution of Markel.

3.6 "Code" shall mean the Internal Revenue Code of 1986, as amended.

3.7 "Contributions" shall mean the payroll deductions or, for Non-Qualified Offerings only, and only to the extent provided for in the Non-Qualified Offering by the Administrator, lump-sum payments or other contributions that a Participant contributes to fund the exercise of an Option pursuant to the Offering. Contributions made in currencies other than U.S. Dollars will be converted into U.S. Dollars at the then existing exchange rate as determined by the Administrator.

3.8 "Designated Subsidiary" shall mean a Subsidiary that the Administrator has designated as eligible to participate in the Plan. Unless otherwise provided by the Administrator, Markel Service, Incorporated shall be the only Designated Subsidiary with respect to any Qualified Offering. The Administrator shall designate from time-to-time which Subsidiaries will be eligible to participate in the Plan with respect to any Non-Qualified Offering.

3.9 "Director" shall mean a non-employee member of the Board.

3.10 "Eligible Employee" shall mean each regular full-time and part-time employee of Markel or a Designated Subsidiary, excluding any individual who is classified as an independent contractor in Markel's or a Designated Subsidiary's regular payroll system. With respect to any Qualified Offering, Eligible Employee shall exclude any employee who would own (immediately after the grant of an Option under the Plan) stock possessing 5% or more of the total combined voting power or value of all classes of stock of Markel or any of its Subsidiaries based on the rules set forth in section 423(b)(3) and section 424 of the Code. In addition, with respect to any Qualified Offering, Options will be granted to all Eligible Employees of any corporation whose employees are granted any of such Options by reason of their employment by that corporation, provided that the Administrator may, prior to an Enrollment Period for a Qualified Offering under the Plan and in an identical manner to all employees of every corporation whose employees are granted Options under the Qualified Offering, determine that the Eligible Employees with respect to such Qualified Offering shall not include -

(a) an employee who has been employed less than 2 years (within the meaning of the Code section 423(b)(4)(A)) (or such lesser period of time as may be determined by the Administrator);

(b) an employee who customarily is employed (within the meaning of Code section 423(b)(4)(B)) 20 hours or less per week (or such lesser period of time as may be determined by the Administrator);

(c) an employee who customarily is employed (within the meaning of Code section 423(b)(4)(C)) for not more than 5 months in any calendar year (or such lesser period of time as may be determined by the Administrator);

(d) an employee who is a highly-compensated employee within the meaning of Code section 414(q) with compensation above a certain level, and/or is an officer or subject to disclosure requirements of section 16(a) of the Exchange Act, or some other sub-category of highly compensated employees above a designated grade level; and

(e) an employee who is a citizen or resident of a foreign jurisdiction if the grant of an Option under the Plan or Offering to such person is prohibited under the laws of such foreign jurisdiction or if compliance with the laws would cause the Plan or Offering to violate the requirements of Code section 432.

With respect to any Non-Qualified Offering, the Administrator may establish eligibility conditions pursuant to which certain employees of Markel or any Designated Subsidiary may be excluded from participation in such Non-Qualified Offering.

3.11 "Enrollment Period" shall mean, with respect to any Qualified Offering, the period preceding the start of a Qualified Offering during which Eligible Employees may elect to participate in the Plan for such Qualified Offering. The Administrator shall establish the timing and duration of each Enrollment Period for each Qualified Offering. The Administrator may establish procedures for enrolling Eligible Employees or Directors in Non-Qualified Offering Periods in its discretion.

3.12 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

3.13 "Fair Market Value" as of any date shall mean the closing sales price for a share of Stock as reported on the New York Stock Exchange on such date; provided, if any given day for which the Fair Market Value of a share of Stock is to be determined is not a business day, the Fair Market Value shall be deemed to be the closing sales price for a share of Stock on the most recent business day before such day.

3.14 "Markel" shall mean Markel Group Inc., a Virginia corporation, formerly known as Markel Corporation.

3.15 "Offering" shall mean an offer under the Plan to purchase shares of Stock on a Purchase Date. An Offering may be an Offering under the Qualified Plan Component (a "Qualified Offering") or under the Non-Qualified Plan Component (a "Non-Qualified Offering").

3.16 "Offering Period" shall mean a period established by the Administrator during which Contributions shall be made pursuant to an Offering under the Plan. Unless otherwise established by the Administrator prior to the beginning of a Qualified Offering, all Offering Periods for Qualified Offerings ("Qualified Offering Periods") shall be approximately the length of a calendar quarter, and shall begin on the first business day of a calendar quarter and shall end on the last business day of the same calendar quarter. Unless otherwise established by the Administrator prior to the beginning of a Non-Qualified Offering, all Offering Periods for NonQualified Offerings ("Non-Qualified Offering Periods") shall be approximately the length of a month, and shall begin on the first business day on or after the sixteenth (16th) day of a calendar month and shall end on the last business day on or before the fifteenth (15th) day of the following calendar month; provided that the first Non-Qualified Offering Period shall begin on July 1, 2020 and end on July 15, 2020. In no event shall any Offering Period exceed twenty-seven (27) months.

3.17 "Option" shall mean a Participant's right to purchase shares of Stock in an Offering under the Plan, in accordance with and subject to the terms of such Offering.

3.18 "Participant" shall mean, for each Offering, an Eligible Employee or Director who has satisfied the requirements set forth in section 7 to participate in such Offering. A Participant who is an Eligible Employee is referred to as an "Employee Participant" and a Participant who is a Director is referred to as a "Director Participant."

3.19 "Participating Employer" shall mean, for each Employee Participant as of any date, Markel or a Designated Subsidiary, whichever employs the Employee Participant as of such date.

3.20 "Payroll Deduction Authorization" shall mean the participation election and payroll deduction authorization form which an Eligible Employee shall be required to properly complete and timely file with the Administrator to participate in the Plan for the related Offering Period. The Administrator shall establish rules and procedures relating to how Eligible Employees may submit Payroll Deduction Authorizations (which may include online or electronic enrollment) and the times during which Payroll Deduction Authorizations must be submitted.

3.21 "Plan" shall mean this Markel Group Inc. 2020 Employee Stock Purchase Plan as set forth herein and as hereafter amended from time to time.

3.22 "Purchase Date" shall mean, for each Offering Period, the last day of such Offering Period.

3.23 "Purchase Price" shall mean the price at which shares of Stock shall be purchased in an Offering. For any Qualified Offering, the Purchase Price shall equal the lower of (a) eighty-five percent (85%) of the Fair Market Value of a share of Stock on the first day of the Offering Period or (b) eighty five percent (85%) of the Fair Market Value of a share of Stock on the Purchase Date, or such higher percentage(s) as may be determined by the Administrator for such Offering. For any Non-Qualified Offering, the Purchase Price shall equal 90% of the Fair Market Value of a share of Stock on the Purchase Date, or such higher percentage as may be determined by the Administrator for such Offering.

3.24 "Stock" shall mean the Common Stock of Markel, no par value.

3.25 "Subsidiary" shall mean, for purposes of the Qualified Plan Component, a subsidiary corporation of Markel as defined under Code section 424(f), and for purposes of the Non-Qualified Plan Component, any subsidiary of Markel as determined by the Administrator.

4. Offerings

(a) Offerings to purchase shares of Stock shall be made to Eligible Employees and Directors in accordance with the Plan from time to time at the discretion of the Administrator. The Administrator will determine the terms of each Offering, which will be set forth in writing (or electronic form), provided that all employees granted Options under a Qualified Offering shall have the same rights and privileges in accordance with the requirements of section 423(b)(S) of the Code. In any Qualified Offering, Options can be granted only to Eligible Employees and only to purchase Stock.

(b) Directors are only eligible to participate in the Non-Qualified Plan Component and, unless otherwise provided by the Administrator, shall only be eligible to participate in the Non-Qualified Offerings during which they are otherwise scheduled to receive a payment of cash fees for their services on the Board. For any Non-Qualified Offering for which they are eligible, Directors may elect to contribute all or a portion of such fees that they would otherwise receive during such Offering Period toward the purchase of Stock on the Purchase Date for such Offering Period, in accordance with the terms and conditions that otherwise apply to such Offering. The Administrator shall establish the terms for the Directors' participation in any Non-Qualified Offerings for which they may be eligible, provided that the maximum amount that a Director may contribute on an aggregate basis for all Non-Qualified Offerings during any calendar year shall not exceed the total amount of the Director's cash fees for services on the Board for such year.

5. Shares Available Under the Plan

Subject to adjustment as provided in section 14, a maximum of 125,000 shares of Stock shall be reserved for purchase upon the exercise of Options granted under the Qualified Plan Component, and an additional maximum of 125,000 shares of Stock shall be reserved for purchase upon the exercise of Options granted under the Non-Qualified Plan Component (for a total combined share reserve of 250,000). Shares reserved for issuance under the Qualified Plan Component may not be issued under the Non-Qualified Plan Component, and vice versa. Any shares of Stock which are subject to Options granted as of the first day of an Offering Period, but which are not purchased on the related Purchase Date shall again become available under the applicable Plan component from which the Options were granted. Shares purchased under the Plan will be, at Markel's discretion, either newly issued shares, shares already owned by Markel (treasury stock), or shares purchased for Participants in the open market, or any combination of the foregoing.

6. Administration

The Administrator shall be responsible for the administration of the Plan and shall have the power in connection with such administration to interpret the Plan, to establish rules and procedures it deems appropriate to administer the Plan, and to take such other action in connection with such administration as it deems necessary or equitable under the circumstances. The Administrator also shall have the power to delegate the duty to perform such administrative functions as the Administrator deems appropriate

under the circumstances and any action taken in accordance with such delegation shall be considered the action of the Administrator. Any person or management committee to whom the duty to perform an administrative function is delegated shall act on behalf of and shall be responsible to the Administrator for such function. Any action or inaction by or on behalf of the Administrator under the Plan shall be final and binding on each Eligible Employee, Director, Participant and on each other person who makes a claim under the Plan based on the rights, if any, of any such Eligible Employee, Director or Participant under the Plan.

7. Participation

(a) An Eligible Employee who is eligible to participate in the Qualified Plan Component may become a Participant in the Plan by submitting a properly completed Payroll Deduction Authorization to the Administrator on or before the last day of the Enrollment Period for a Qualified Offering. An Eligible Employee who is eligible to participate in the Qualified Plan Component may not submit a separate Payroll Deduction Authorization for a Non-Qualified Offering unless otherwise provided by the Administrator. An Eligible Employee who is eligible to participate in the Non-Qualified Plan Component (but not the Qualified Plan Component) may become a Participant in the Plan by submitting a properly completed Payroll Deduction Authorization to the Administrator in accordance with the procedures established by the Administrator for a Non-Qualified Offering. Unless otherwise provided by the Administrator, only employees who are Eligible Employees on the first day of an Enrollment Period, and whose employment as an Eligible Employee continues until the start of the related Qualified Offering, may participate in the Qualified Offering. Employment as an Eligible Employee shall not be treated as interrupted by a transfer directly between Markel and any Designated Subsidiary which is participating in the Qualified Offering or between one Designated Subsidiary participating in the Offering and another Designated Subsidiary participating in the same Qualified Offering.

(b) In addition, an Eligible Employee who is eligible to participate in the Non-Qualified Plan Component (regardless of whether he or she is also eligible to participate in the Qualified Plan Component) may become a Participant in the Plan by making a lump-sum cash Contribution prior to the Purchase Date for a Non-Qualified Offering in accordance with procedures established by the Administrator.

(c) A Payroll Deduction Authorization shall require an Eligible Employee to provide such information and to take such action as the Administrator in its discretion deems necessary or helpful to the orderly administration of the Plan, including specifying (in accordance with section 8) his or her Contributions to purchase shares of Stock pursuant to the Offering. Unless an Employee Participant files a new Payroll Deduction Authorization during a subsequent Enrollment Period, stops his or her Contributions (or otherwise modifies a Payroll Deduction Authorization) in accordance with section 8(c), or terminates employment or otherwise ceases to be an Eligible Employee pursuant to section 12, he or she will remain a Participant and his or her Payroll Deduction Authorization will continue in effect at the same Contribution rate for future Offering Periods under the Plan as long as the Plan remains in effect. The Administrator may establish procedures (applied on a uniform and nondiscriminatory basis) for enrolling newly hired Eligible Employees or employees who otherwise become Eligible Employee during an Enrollment Period (before the start of the related Offering Period). Otherwise, an Eligible Employee who is hired or who otherwise becomes eligible after the start of an Enrollment Period for an Offering must wait until the Enrollment Period for the next Offering to enroll.

(d) With respect to Directors, the Administrator shall determine the Enrollment Periods, the form pursuant to which Directors may authorize Contributions of their cash fees for service on the Board for the applicable Non-Qualified Offering Period, and all other terms of the Directors' participation in any Non-Qualified Offering, including whether such authorizations automatically continue for subsequent Non-Qualified Offerings for which the Director may be eligible or whether Directors must submit new authorization forms for each subsequent period.

8. Contributions

(a) Contribution Types. Contributions for a Qualified Offering may be made by payroll deduction only. Contributions for a Non-Qualified Offering by Employee Participants may be made either by payroll deduction or in lump sum payments by cash, check, or wire transfer prior to a Purchase Date, in accordance with procedures established by the Administrator. Contributions for a Non-Qualified Offering by Director Participants may be made in accordance with procedures established by the Administrator in accordance with Section 4(b). In addition, the Administrator may establish procedures in accordance with Code section 423(b)(5) pursuant to which any payroll deduction Contributions elected by an Employee Participant for a Qualified Offering that would otherwise exceed the Statutory Limitation set forth in Section 9(c) below or any other limitation under the Qualified Plan Component for such Qualified Offering will be contributed instead to the Participant's Account under the Non-Qualified Plan Component and used to purchase shares of Stock on the Purchase Date for the next Non-Qualified Offering Period ending after the end of the Qualified Offering Period during which such excess Contributions are contributed, and thereafter the Participant's Payroll Deduction Authorization (unless modified in accordance with Section 8(c) below, or unless the Participant terminates employment or otherwise ceases to be an Eligible Employee in accordance with Section 12) will remain in effect for future Non-Qualified Offerings during the same calendar year, subject to and in accordance with the terms of each Non-Qualified Offering (a "Spill-Over Feature"). In no event shall Markel or any Designated Subsidiary make any matching contribution with respect to Participant Contributions under the Plan.

(b) Payroll Deduction Authorizations. Each Payroll Deduction Authorization made under section 7 shall specify the Employee Participant's Contributions for the Offering, which shall be a percentage of compensation (unless the Administrator determines that Contributions may be designated as a specific dollar amount) which he or she authorizes his or her Participating Employer to deduct from his or her compensation each pay period (as such pay period is determined in accordance with his or her Participating Employer's standard payroll policies and practices) during the Offering Period for which such Payroll Deduction Authorization is in effect. For each Offering, the Administrator shall establish the definition of eligible "compensation" from which an Employee Participant's payroll deduction Contributions will be taken, which for any Qualified Offering will be applicable to all Employee Participants in the Offering on an identical basis. The Administrator shall determine the elements of pay to be included in compensation for purposes of a Qualified Offering in compliance with Code section 423 and may change the definition on a prospective basis (provided it shall apply to all Employee Participants on an identical basis). For Director Participants, the Administrator shall determine the form for making Contribution and other terms of each Director Participant's participation in any Non-Qualified Offering for which the Director Participant is eligible in accordance with Section 4(b). In addition, for any Offering, the Administrator may establish uniform rules regarding (i) required minimum Contribution levels and (ii) limitations on the dollar amounts (or percentages of compensation) that may be contributed, provided

that all such limitations shall satisfy the requirements of section 423(b)(5) with respect to any Qualified Offering.

(c) Modifications. An Employee Participant shall have the right to amend his or her Payroll Deduction Authorization after the end of an Enrollment Period to stop the Contributions which he or she previously had authorized for an Offering Period. Any such adjustment to an Employee Participant's Contributions shall be effective as soon as administratively practicable after the Administrator receives the amended Payroll Deduction Authorization. The Employee Participant will be given the choice to receive a cash distribution of his or her accumulated Contributions for such Offering Period (without interest and at the prevailing currency exchange rate of conversion for Contributions made in currencies other than U.S. dollars) or to purchase shares of Stock at the end of the Offering Period with the accumulated Contributions through the date of such adjustment. No payroll deduction Contributions will be taken for future Offering Periods unless the Employee Participant submits a new Payroll Deduction Authorization during a subsequent Enrollment Period in accordance with section 7. Unless otherwise provided for by the Administrator with respect to an Offering, an Employee Participant shall not otherwise have the right to increase, decrease or reduce the payroll deduction Contributions which he or she previously had authorized for an Offering Period after the end of the Enrollment Period for such Offering Period. The Administrator may establish procedures and deadlines by which Employee Participants must make such amendments to a Payroll Deduction Authorization. The ability of Director Participants to modify Contributions for a Non-Qualified Offering after the Contribution has been authorized shall be determined in accordance with procedures established by the Administrator. Unless otherwise provided by the Administrator, an Eligible Employee or Director may not modify or rescind a lump-sum Contribution election after it has been submitted.

(d) Account Credits, General Assets and Taxes. All payroll deduction Contributions made for an Employee Participant shall be credited to his or her Account as of the payday as of which the deduction is made. All other Contributions shall be credited to a Participant's Account in accordance with procedures established by the Administrator. All Contributions shall be held by Markel, by Markel's agent or by one, or more than one, Designated Subsidiary (as determined by the Administrator) as part of the general assets of Markel or any such Designated Subsidiary, and each Participant's right to the Contributions credited to his or her Account shall be those of a general and unsecured creditor. No interest or earnings shall be credited to a Participant's Account. All payroll deduction Contributions shall be taken on an after-tax basis. Unless otherwise provided by the Administrator, statements of purchase activity within a Participant's Account (other than year-end Account statements, which will be mailed to Participants unless a Participant has consented to electronic delivery) will be made available to the Participant online or, if requested by a Participant, mailed to the Participant at the Participant's address on file with the Plan.

9. Granting of Option

(a) General Rule. Subject to the remaining provisions of this section 9, each person who is a Participant for an Offering Period automatically shall be deemed to have been granted an Option to purchase the number of whole and fractional shares of Stock as may be purchased with the Contributions credited to the Participant's Account during the applicable Offering Period. Notwithstanding the foregoing, the maximum number of shares of Stock that may be purchased by any Participant during any Qualified Offering shall not exceed fifty (50) shares, subject to adjustment under section 14 of the Plan, or such

other maximum number of shares as the Administrator may establish for a particular Qualified Offering. Fractional shares may be purchased and will be combined with subsequent purchases of Stock to make whole shares where possible. Subject to the Spill-Over Feature procedures described in Section 8(a) above, any Contributions accumulated in a Participant's Account which, for any reason, are not used to purchase shares of Stock will be returned to the Participant in cash (without interest and at the currency exchange rate of conversion for Contributions made in currencies other than U.S. dollars determined by the Administrator) and shall not be carried over to the next Offering.

(b) Option Terms. Each such Option shall be exercisable only in accordance with the terms of the Plan and the applicable Offering pursuant to which the Option has been granted.

(c) Statutory Limitation. No Option granted under the Qualified Plan Component to any Eligible Employee shall permit his or her rights to purchase shares of Stock under the Qualified Plan Component or under any other "employee stock purchase plan" (within the meaning of section 423 of the Code) of Markel or any of its Subsidiaries (within the meaning of section 424(f) of the Code) to accrue (within the meaning of section 423(b)(8) of the Code) at a rate which exceeds \$25,000 of the Fair Market Value of such Stock for any calendar year (the "Statutory Limitation"). Such Fair Market Value shall be determined as of the first day of the Offering Period for which the Option is granted.

(d) Insufficient Available Shares. If the number of shares of Stock available for purchase for any Offering Period is insufficient to cover the number of shares which Participants have elected to purchase, then each Participant's Option to purchase shares of Stock for such Offering Period shall be reduced to the number of shares of Stock which the Administrator shall determine by multiplying the number of shares of Stock available for Options for such Offering Period by a fraction, the numerator of which shall be the number of shares of Stock for which such Participant would have been granted an Option under section 9(a) if sufficient shares were available and the denominator of which shall be the total number of shares of Stock for which Options would have been granted to all Participants under section 9(a) if sufficient shares were available.

10. Exercise of Option

Unless an Employee Participant files an amended Payroll Deduction Authorization to stop Contributions and chooses a cash distribution under section 8(c), or terminates employment or otherwise ceases to be an Eligible Employee pursuant to section 12, or unless a Director Participant ceases to be a member of the Board pursuant to Section 12, in each case on or before the Purchase Date for an Offering Period for which he or she has made Contributions, his or her Option shall be exercised automatically on such Purchase Date for the purchase of as many whole and fractional shares of Stock as the balance credited to his or her Account as of that date and will purchase at the Purchase Price for such shares of Stock. Unless otherwise provided by the Administrator for a particular Offering, (i) the minimum amount of Contributions an Employee Participant can make in the form of payroll-deduction Contributions for any payroll period shall be fifty U.S. Dollars (\$50) and the minimum amount of Contributions a Participant can make in the form of a lump-sum payment shall be one thousand U.S. Dollars (\$1,000) (or, in either case, the equivalent amount in any foreign currency, converted into U.S. Dollars at the currency exchange rate as determined by the Administrator), and any Contributions below such amount shall be distributed to the Participant in cash (without interest and at the currency exchange rate of conversion for Contributions made in currencies other than U.S. dollars determined by the Administrator) as soon as administratively

practicable following the end of such Offering Period); and (ii) the maximum amount of Contributions an Employee Participant can make in the form of payroll-deduction Contributions for any payroll period shall be twenty-five thousand U.S. Dollars (\$25,000) and the maximum amount of Contributions a Participant can make in the form of a lump sum payment shall be one hundred and fifty thousand U.S. Dollars (\$150,000) (or, in either case, the equivalent amount in any foreign currency, converted into U.S. Dollars at the currency exchange rate as determined by the Administrator), and subject for Director Participants to the limit set forth in Section 4(b) above, and any excess above such amounts as of the Purchase Date for such Offering shall be distributed to the Participant in cash (without interest and at the currency exchange rate of conversion for Contributions made in currencies other than U.S. dollars determined by the Administrator) as soon as administratively practicable after the end of the Offering Period. The Administrator may establish additional limits (in accordance with Section 423(b)(5) for any Qualified Offering) on the amount that any Participant may contribute during any Offering Period.

11. Delivery of Shares; Holding Period.

Whole and fractional shares of Stock purchased upon the exercise of an Option under the Plan may be registered in book entry form or represented in certificate form and shall be held for the Participant in an investment account maintained by the Plan's third-party custodian. The shares of Stock in a Participant's investment account shall be registered in the Participant's name. No Participant (or any person who makes a claim through a Participant) shall have any interest in any shares of Stock subject to an Option until such Option has been exercised and the related shares of Stock have been registered in the Participant's investment account. The Administrator may impose restrictions on the sale or transfer of shares held in a Participant's investment account in accordance with Code section 423 with respect to any shares of Stock purchased under the Qualified Plan Component. Unless otherwise provided by the Administrator, (i) any shares of Stock purchased upon exercise of an Option under the Qualified Plan Component (w) may not be sold or disposed of by a Participant prior to the first anniversary of the Option exercise date, and (x) may not be transferred out of the Participant's investment account prior to the second anniversary of the Option grant date (the "Qualified Plan Holding Period"); and (ii) any shares of Stock purchased upon exercise of an Option under the Non-Qualified Plan Component (y) may not be sold or disposed of by a Participant prior to the first anniversary of the Option exercise date, and (z) may not be transferred out of the Participant's investment account prior to the first anniversary of the Option exercise date (the "Non-Qualified Plan Holding Period" and, together with the Qualified Plan Holding Period, the "Holding Period"). After the Holding Period expires with respect to any shares of Stock held in a Participant's investment account, such shares may be transferred to the Participant or to a brokerage account designated by the Participant upon the Participant's request and as directed by the Participant. The Administrator may establish additional procedures for or restrictions on the sale or transfer of fractional shares of Stock. Any fees associated with the sale or transfer of any shares shall be borne by the Participant.

12. Termination of Employment or Other Service; Death

If an Employee Participant's employment with Markel or with a Designated Subsidiary or if a Director Participant's service on the Board terminates before the Purchase Date for an Offering Period for any reason whatsoever (including death but in such case only if the Administrator has timely notice of such death), then his or her Account shall be distributed to the Participant in cash (without interest and at the currency exchange rate of conversion for Contributions made in currencies other than U.S. dollars

determined by the Administrator) as soon as administratively practicable after the date his or her employment or Board service terminates. If an Employee Participant otherwise ceases to be an Eligible Employee with respect to an Offering on or before the Purchase Date with respect to such Offering, the Employee Participant's aggregate Contributions for such Offering shall be distributed to the Employee Participant in cash (without interest and at the currency exchange rate of conversion for Contributions made in currencies other than U.S. dollars determined by the Administrator) as soon as administratively practicable after the date he or she ceases to be eligible. Payment shall occur as soon as administratively practicable (and in any event by no later than the March 15th following the end of the applicable Offering Period) and shall be made to the Participant or (in the case of the Participant's death) to the Beneficiary or estate if no Beneficiary is selected. However, if an Employee Participant is transferred directly between Markel and a Designated Subsidiary participating in an Offering or between one Designated Subsidiary participating in an Offering and another Designated Subsidiary participating in the same Offering, his or her employment shall not be treated as having terminated merely because of such transfer. In the case of a leave of absence, the Administrator shall have the authority to determine if and when an Employee Participant's employment has terminated in its sole discretion.

13. Transferability

Neither the balance credited to a Participant's Account nor any rights to the exercise of an Option or to receive shares of Stock under the Plan may be assigned, encumbered, alienated, transferred, pledged, or otherwise disposed of in any way by a Participant during his or her lifetime or by any other person during his or her lifetime, and any attempt to do so shall be without effect; provided, however, that the Administrator in its absolute discretion may treat any such action as an election by an Employee Participant to cease future Contributions and withdraw the balance credited to his or her Account in accordance with section 8(c).

14. Adjustment

The number of shares of Stock covered by outstanding Options granted pursuant to the Plan, the related Purchase Price, the number of shares of Stock available under each component of the Plan, the maximum limitation on shares purchasable during an Offering Period, and any other similar terms shall be adjusted by the Board in an equitable manner to reflect any Stock split, Stock dividend or other similar change in the capitalization of Markel without the receipt of consideration by Markel. An adjustment made under this section 14 by the Board shall be conclusive and binding on all affected persons.

15. Amendment or Termination

This Plan may be amended by the Board from time to time to the extent that the Board deems necessary or appropriate, and any such amendment shall be subject to the approval of Markel's shareholders to the extent such approval is required under section 423 of the Code, other applicable law or stock exchange listing requirements. The Board also may terminate the Plan, or any Offering made under the Plan at any time.

16. Change in Control

In the event of a Change in Control, (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Options or may substitute similar options for outstanding Options (with respect to Options granted under the Qualified Plan Component, in accordance with Code section 424), or (ii) otherwise, all outstanding Options under the Plan shall automatically be exercised immediately prior to the consummation of such Change in Control by causing all amounts credited to each Participant's Account to be applied to purchase as many shares of Stock pursuant to the Participant's Option as possible at the Purchase Price, subject to the limitations set forth in the Plan. The Administrator shall use its best efforts to provide at least ten (10) days' prior written notice of the occurrence of a Change in Control and Participants shall, following the receipt of such notice, have the right to terminate their Contributions and receive a cash distribution of their Accounts prior to the effective date of such Change in Control.

17. Acquisitions and Dispositions

The Administrator may, in its sole and absolute discretion, create special Offering Periods for individuals who become Eligible Employees solely in connection with the acquisition of a controlling interest in another company or business by a stock acquisition, merger, reorganization or purchase of assets and, notwithstanding anything in the Plan to the contrary, may provide for special Purchase Dates for Employee Participants who will cease to be Eligible Employees solely in connection with the disposition of all or a portion of any Designated Subsidiary or a portion of Markel, which Offering Periods and Purchase Dates granted pursuant thereto shall, notwithstanding anything stated herein, be subject to such terms and conditions as the Administrator considers appropriate under the circumstances.

18. Indemnity

Markel shall, consistent with applicable law, indemnify members of the Administrator from any liability, loss or other financial consequence with respect to any act or omission relating to his or her conduct in the performance of his or her duties under the Plan, except in relation to matters as to which he or she acted fraudulently or in bad faith in the performance of such duties.

19. Notices

All Payroll Deduction Authorizations and other communications from a Participant to the Administrator under, or in connection with, the Plan shall be deemed to have been filed with the Administrator when actually received in the form specified by the Administrator at the location, or by the person, designated by the Administrator for the receipt of such authorizations and communications.

20. Employment

No offer under the Plan shall constitute an offer of employment, and no acceptance of an offer under the Plan shall constitute an employment agreement. Any such offer or acceptance shall have no bearing whatsoever on the employment relationship between any Eligible Employee and Markel or any subsidiary of Markel, including a Designated Subsidiary.

21. Payment of Expenses Related to Plan

The cost, if any, for the delivery of shares of Stock to a Participant or commissions upon the sale of Stock shall be paid by the Participant using such service. Other expenses associated with the Plan, if any, at the discretion of the Administrator, will be allocated as deemed appropriate by the Administrator.

22. Optionees Not Stockholders

Neither the granting of an Option to an employee, nor the deductions from his or her pay shall cause such employee to be a shareholder of the Stock covered by an Option until such shares of Stock have been purchased by and issued to him or her.

23. Taxes

As a condition of participation in the Plan, a Participant shall make such arrangements as Markel or the Participating Employer may require for the satisfaction of any applicable U.S. federal, state, local or foreign tax withholding, and any other required deductions or payments that may arise in connection with the grant or exercise of an Option under the Plan or the sale or disposition of any shares of Stock acquired upon exercise thereof. Markel shall not be required to issue any shares of Stock under the Plan until such obligations are satisfied.

24. Compliance with Applicable Law

No Options may be exercised to any extent unless the shares of Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act of 1933, as amended, and the Plan is in material compliance with all applicable U.S. federal and state, foreign and other securities, exchange control and other laws applicable to the Plan.

25. Code Section 409A

Options granted under the Non-Qualified Plan Component are intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception or compliant with Section 409A of the Code and any ambiguities will be construed and interpreted in accordance with such intent.

26. Headings, References and Construction

The headings to sections in the Plan have been included for convenience of reference only. Except as otherwise expressly indicated, all references to sections (section) in the Plan shall be to sections (section) of the Plan. This Plan shall be interpreted and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, Markel has caused this instrument to be duly executed in its name and on its behalf as of the date set forth below.

MARKEL

By: /s/ Linda V. Schreiner

Name: Linda V. Schreiner

Title: Senior Vice President, Strategic Management

Date: 15 May 2020

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

I, Thomas S. Gayner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Markel Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 31, 2024

/s/ Thomas S. Gayner

Thomas S. Gayner
Chief Executive Officer
(Principal Executive Officer)

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

I, Brian J. Costanzo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Markel Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 31, 2024

/s/ Brian J. Costanzo

Brian J. Costanzo
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION
FURNISHED PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Markel Group Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 31, 2024

/s/ Thomas S. Gayner

Thomas S. Gayner
Chief Executive Officer
(Principal Executive Officer)

/s/ Brian J. Costanzo

Brian J. Costanzo
Chief Financial Officer
(Principal Financial Officer)