

MARKEL CORP
Form 424B5
August 14, 2006
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Registration No. 333-130497

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not a solicitation of an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated August 14, 2006

PROSPECTUS SUPPLEMENT

(To prospectus dated December 20, 2005)

\$

% Senior Debentures due 2046

The debentures will bear interest at the rate of _____ % per annum. We will pay interest on the debentures quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning November 15, 2006. The debentures will mature on August _____, 2046. On or after August _____, 2011, we may redeem the debentures in whole or in part at 100% of their principal amount, plus accrued interest to the date of redemption. The debentures will not have the benefit of any sinking fund.

The debentures will be our unsecured obligations and will rank equally with our unsecured senior indebtedness. The debentures will be issued in registered form in denominations of \$25 and integral multiples of \$25.

Investing in the debentures involves risks that are described in the Risk Factors section beginning on page S-7 of this prospectus supplement.

	Per Debenture	Total
Public offering price(1)	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to Markel	%	\$

(1) Plus accrued interest from August _____, 2006, if settlement occurs after that date
We will make application to list the debentures for trading on the New York Stock Exchange. We expect trading of the debentures on the New York Stock Exchange to begin within a 30-day period after the initial delivery of the debentures.

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

The debentures will be ready for delivery in book-entry form only through The Depository Trust Company on or about August , 2006.

Merrill Lynch & Co.

Wachovia Securities

UBS Investment Bank

The date of this prospectus supplement is August , 2006.

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

You should rely only on the information contained in this document or to which this document refers you, or other offering materials filed by us with the Securities and Exchange Commission (SEC). We have not authorized anyone, and we have not authorized the underwriters to authorize anyone, to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the base prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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NOTE ON FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This prospectus contains or incorporates by reference 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.

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 Risk Factors or are included in the items listed below:

premium writings may be reduced, possibly significantly, as we reduce our aggregate exposure to classes of catastrophe-exposed business in order to achieve our desired underwriting goals;

gross and net loss estimates related to the 2005 hurricanes are based on currently available information related to covered exposures and assumptions about how coverage applies. As actual losses are reported, claims are adjusted and specific reinsurers are associated with those losses, both gross and net losses for the 2005 hurricanes may change significantly;

the costs and availability of reinsurance may impact our ability to write certain lines of business;

our anticipated premium volume is based on current knowledge and assumes no significant man-made or natural catastrophes, no significant changes in products or personnel and no adverse changes in market conditions;

we are legally required in certain instances to offer terrorism insurance and have attempted to manage our exposure; however, in the event of a covered terrorist attack, we could sustain material losses;

the impact of the events of September 11, 2001 will depend on the number of insureds and reinsureds affected by the events, the amount and timing of losses incurred and reported and questions of how coverage applies;

changing legal and social trends and inherent uncertainties (including but not limited to those uncertainties associated with our asbestos and environmental reserves) in the loss estimation process can adversely impact the adequacy of loss reserves and the allowance for reinsurance recoverables;

industry and economic conditions can affect the ability and/or willingness of reinsurers to pay balances due;

we continue to closely monitor business written by Markel International before and shortly after our acquisition, including discontinued programs. Adverse experience in these areas could lead to additional charges;

we continue to closely monitor claims processing and development patterns and loss reserve adequacy at our Investors Brokered Excess and Surplus Lines unit. Adverse experience could lead to additional charges;

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any adverse development in the re-assumed loss reserves following commutation of ceded reinsurance contracts will result in a charge to earnings;

operating cash flows may be impacted by the timing and volume of claim payments and the collection of related reinsurance balances relating to the 2005 hurricanes;

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

economic conditions, volatility in interest and foreign exchange rates and concentration of investments can have a significant impact on the market value of fixed maturity and equity investments as well as the carrying value of other assets and liabilities;

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loss of services of key executive officers could impact our operations; and

changes in our assigned financial strength or debt ratings could impact our ability to attract and retain business.

Our premium volume and underwriting and investment results have been and will continue to be potentially materially affected by these factors. By making forward-looking statements, we are not intending to become obligated to publicly update or revise any forward-looking statements whether as a result of new information, future events or other changes. You should not place undue reliance on any forward-looking statements which speak only as at their dates.

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SUMMARY

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

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

Markel Corporation

We sell specialty insurance products and programs to a variety of niche markets and believe that our specialty product focus and niche market strategy enable us to develop expertise and specialized market knowledge. We seek to differentiate ourselves from competitors by reason of our expertise, service, continuity and other value-based considerations. We compete in three segments of the specialty insurance marketplace:

the excess and surplus lines market;

the specialty admitted market; and

the London insurance market.

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

Ratio of Earnings to Fixed Charges

The following table sets forth our historical ratio of earnings to fixed charges for each of the last five fiscal years and for the six month period ended June 30, 2006.

Six Months Ended June 30, 2006	2005	2004	Year Ended December 31,		
			2003	2002	2001
8.1	3.7	4.7	4.3	3.7	*

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

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The Offering

Issuer	Markel Corporation
Debentures offered	\$ aggregate principal amount of % Senior Debentures due 2046.
Maturity	August , 2046
Interest payment dates	Quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning November 15, 2006.
Redemption	On or after August , 2011, we may redeem the debentures in whole or in part at a redemption price equal to 100% of their principal amount, plus accrued interest to the date of redemption.
Sinking fund	None.
Ranking	<p>The debentures will be our direct, unsecured and unsubordinated obligations, ranking equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The debentures will be effectively junior in right of payment to any secured indebtedness to the extent of the value of the assets securing such indebtedness. The debentures will also be effectively junior in right of payment to all of the liabilities of our subsidiaries.</p> <p>As of June 30, 2006, we had approximately \$708 million of unsubordinated indebtedness outstanding. In addition, we had outstanding approximately \$120 million of subordinated obligations relating to trust preferred securities. We currently have no secured debt, and our consolidated subsidiaries have no outstanding indebtedness for borrowed money.</p>
Covenants	The supplemental indenture for the debentures contains limitations on our ability to incur certain liens securing debt. See Description of Debentures Limitation on Liens. The indenture also contains, among other things, restrictions on our ability to enter into some consolidations, mergers or transfers of all or substantially all of our assets.
Use of proceeds	We intend to use the net proceeds from the sale of the debentures to repay outstanding indebtedness and for general corporate purposes. See Use of Proceeds on page S-9.
Risk factors	You should carefully consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, should carefully read the section entitled Risk Factors before purchasing any of the debentures.
Clearance and Settlement	The debentures will be cleared through The Depository Trust Company.

Listing

We will make application to list the debentures for trading on the New York Stock Exchange. We expect trading of the debentures on the New York Stock Exchange to begin within a 30-day period after the initial delivery of the debentures.

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RISK FACTORS

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

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

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

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

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

trends in claim frequency and severity,

changes in operations,

emerging economic and social trends,

uncertainties relating to asbestos and environmental exposures,

inflation, and

changes in the regulatory and litigation environments.

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

We may experience losses from catastrophes.

Because we are a property and casualty insurance company, we frequently experience losses from man-made or natural catastrophes. Catastrophes may have a material adverse effect on operations. Catastrophes include windstorms, hurricanes, earthquakes, tornadoes, hail, severe winter weather and fires and may include terrorist events. In addition, we cannot predict how severe a particular catastrophe will be before it occurs. The extent of losses from catastrophes is a function of the total amount of losses incurred, the number of insureds

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affected, the frequency and severity of the events and the effectiveness of our catastrophe reinsurance coverage. Most catastrophes occur over a small geographic area; however, some catastrophes may produce significant damage in large, heavily populated areas.

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

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

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

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

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

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

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

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

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

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

The debentures will represent new securities for which no market currently exists. Although a market exists for our currently outstanding debt securities, there can be no assurance that an active trading market for the debentures will develop or, if a market develops, that it will be liquid or sustainable.

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We estimate that the net proceeds of the offering, after deducting the underwriting discount, will be approximately \$ million. We intend to use the proceeds of the offering initially to repurchase or redeem the 8.71% Capital Securities of Markel Capital Trust I. The Capital Securities (and our related 8.71% Junior Subordinated Debentures) are redeemable on or after January 1, 2007 and mature on January 1, 2046. Any proceeds not so applied will be used to repurchase or pay at maturity our 7.20% unsecured senior notes due August 15, 2007 or for general corporate purposes. Pending their use for the purposes described in this paragraph, the proceeds will be invested in short-term securities.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratio of earnings to fixed charges for each of the last five fiscal years and for the six month period ended June 30, 2006.

Six Months Ended	Year Ended December 31,				
June 30, 2006	2005	2004	2003	2002	2001
8.1	3.7	4.7	4.3	3.7	*

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

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

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DESCRIPTION OF DEBENTURES

Set forth below is a description of the specific terms of the debentures. This description supplements, and should be read together with, the description of the general terms and provisions of the Senior Debt Securities set forth in the accompanying prospectus under the caption

Description of Debt Securities and, to the extent it is inconsistent with the accompanying prospectus, replaces the description in the accompanying prospectus. The debentures will be issued under an indenture dated as of June 5, 2001, between Markel and J.P. Morgan Trust Company, National Association (as successor to The Chase Manhattan Bank), as indenture trustee, as supplemented and amended by a fourth supplemental indenture, to be dated as of August , 2006 (as amended, the Indenture). The following description is not complete in every detail and is subject to, and is qualified in its entirety by reference to, the description of the debentures in the accompanying prospectus and the Indenture. Capitalized terms used in this Description of Debentures that are not defined in this prospectus supplement have the meanings given to them in the accompanying prospectus or the Indenture.

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

General

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

The entire principal amount of the debentures will mature and become due and payable, together with any accrued and unpaid interest, on August , 2046. The debentures are not subject to any sinking fund provision. The debentures will be issued only in registered form in denominations of \$25 and integral multiples of \$25.

Ranking

The debentures will be our direct, unsecured and unsubordinated obligations ranking equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The debentures will be effectively junior in right of payment to any secured indebtedness to the extent of the value of the assets securing such indebtedness. We currently have no secured debt. As of June 30, 2006, we had approximately \$708 million of unsubordinated indebtedness outstanding. In addition, we had outstanding approximately \$120 million of subordinated obligations relating to trust preferred securities.

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

Unless otherwise described below under Limitation on Liens or in the accompanying prospectus under Description of Debt Securities Consolidation, Merger and Sale of Assets, the Indenture does not contain any provisions that would limit our ability or the ability of our subsidiaries to incur indebtedness or that would afford holders of the debentures protection in the event of a sudden and significant decline in our credit quality or a takeover, recapitalization or highly leveraged similar transaction involving our company. Accordingly, we could in the future enter into transactions that could increase the amount of our or our subsidiaries' indebtedness outstanding at that time or otherwise affect our capital structure or credit rating.

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Interest

Each debenture will bear interest at the rate of % per year from August , 2006 or from the most recent date on which interest has been paid.

Interest is payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year (each, an Interest Payment Date). The initial Interest Payment Date is November 15, 2006. The amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months. If any date on which interest is payable on the debentures is not a business day, then payment of the interest payable on that date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any delay), with the same force and effect as if made on such date.

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

Redemption

We may not redeem the debentures before August , 2011. On or after August , 2011, we may redeem the debentures, in whole at any time or in part from time to time, at a redemption price equal to 100% of their principal amount, plus accrued interest to the date of redemption. We must give not less than 20 nor more than 60 days prior written notice of any redemption.

Limitation on Liens

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

Events of Default

The following are events of default for the debentures:

- (1) default in payment of the principal amount at maturity;
- (2) default in payment of interest, which default continues for 30 days;
- (3) our failure to comply with any of our other agreements in the debentures or the Indenture upon our receipt of notice of such default from the trustee or from holders of not less than 25% in aggregate principal amount of the debentures then outstanding, and our failure to cure (or obtain a waiver of) such default within 60 days after we receive such notice; or
- (4) (a) our failure to make any payment by the end of any applicable grace period after maturity of indebtedness, which term as used in the Indenture means our obligations (other than nonrecourse obligations) for borrowed money or evidenced by bonds, debentures, notes or similar instruments in an aggregate principal amount in excess of \$50,000,000 (Indebtedness) and continuance of such failure, or (b) the acceleration of Indebtedness because of a default with respect to such Indebtedness without such

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Indebtedness having been discharged or such acceleration having been cured, waived, rescinded or annulled, in each case, for a period of 10 days after written notice to us by the trustee or to us and the trustee by the holders of not less than 25% in aggregate principal amount of the debentures then outstanding; however, if any such failure or acceleration referred to in (a) or (b) above ceases or is cured, waived, rescinded or annulled, then the event of default by reason thereof will be deemed not to have occurred; or

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

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

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

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

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

Defeasance

Under the Indenture, we may exercise rights of defeasance (either as to all our obligations or as to certain covenants, which we call covenant defeasance) as described in the accompanying prospectus under Description of Debt Securities - Defeasance. In addition to the conditions described in the accompanying prospectus, we must, as a condition to exercising rights of defeasance or covenant defeasance with respect to the debentures, deliver to the trustee an opinion of counsel to the effect that the holders of the then outstanding debentures will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance

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or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance or covenant defeasance had not occurred. In the case of a defeasance (but not a covenant defeasance), the opinion must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax laws.

The Trustee

The trustee under the Indenture is J.P. Morgan Trust Company, National Association. In the ordinary course of business, we may borrow money from, and maintain other banking relationships with, the trustee and its affiliates. J.P. Morgan Trust Company, National Association also serves as trustee under other indentures under which our securities are outstanding.

Book-Entry Procedures and Settlement

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

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (Direct Participants) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). The rules applicable to DTC and its Direct and Indirect Participants are on file with the SEC.

Purchases of securities under the DTC system must be made by or through Direct Participants, who will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each security (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities, except in the event that use of the book-entry system for the securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities; DTC's records reflect only the identity of the Direct Participants to

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whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

Trading Characteristics

The debentures may trade at a price that takes into account the value, if any, of accrued and unpaid interest. In this event, purchasers will not pay, and sellers will not receive, accrued and unpaid interest on the debentures that is not included in their trading price. Any portion of the trading price of the debentures that is attributable to accrued and unpaid interest will be treated as ordinary interest income for U.S. federal income tax purposes and will not be treated as part of the amount realized for purposes of determining gain or loss on the disposition of the debentures.

Table of Contents**UNDERWRITING**

Under the terms and subject to the conditions set forth in the underwriting agreement and related pricing agreement dated August , 2006, the underwriters named below have severally agreed to purchase and we have agreed to sell to them, severally, the respective principal amount of the debentures set forth opposite their respective names below:

Underwriter	Principal Amount
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$
Wachovia Capital Markets, LLC	
UBS Securities LLC	
A.G. Edwards & Sons, Inc.	
BB&T Capital Markets, a division of Scott & Stringfellow, Inc.	
Charles Schwab & Co., Inc.	
Davenport & Company LLC	
Ferris, Baker Watts, Incorporated	
HR Block Financial Advisors, Inc.	
HSBC Securities (USA) Inc.	
KeyBanc Capital Markets, a division of McDonald Investments Inc.	
Oppenheimer & Co. Inc.	
Piper Jaffray & Co.	
Raymond James & Associates, Inc.	
RBC Capital Markets Corporation	
SunTrust Capital Markets, Inc.	
Wells Fargo Securities, LLC	
Total	\$

The underwriters have agreed to purchase the debentures at a purchase price equal to 100% of the initial public offering price set forth on the cover of this prospectus supplement, less a discount of % per debenture, for a total purchase price of \$.

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the debentures are subject to, among other things, the approval of certain legal matters by their counsel and certain other conditions. The underwriters are obligated to take and pay for all the debentures if any are taken.

The underwriters propose initially to offer the debentures to the public at the public offering price set forth on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of % of the principal amount of the debentures. The underwriters may allow, and such dealers may reallow, a discount not in excess of % of the principal amount of the debentures to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

We estimate the expenses of this offering, not including the underwriting discount, to be approximately \$200,000. These expenses are payable by us.

The debentures are a new issue of securities with no established trading market. We will make application to list the debentures on the New York Stock Exchange. We expect trading of the debentures on the New York Stock Exchange to commence within a 30-day period after the initial delivery of the debentures. The underwriters have advised us that they intend to make a market in the debentures before commencement of trading on the New York Stock Exchange. The underwriters will have no obligation to make a market in the debentures, however, and may discontinue market making activities, if commenced, at any time without notice. We can give no assurance as to the liquidity of the trading market, if any, for the debentures.

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In order to facilitate the offering of the debentures, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the debentures. Specifically, the underwriters may over-allot in connection with this offering, creating short positions in the debentures for their own account. In addition, to cover over-allotments or to stabilize the price of the debentures, the underwriters may bid for and purchase debentures in the open market. Finally, the underwriters may reclaim selling concessions allowed to an underwriter or dealer for distributing debentures in this offering, if the underwriters repurchase previously distributed debentures in transactions that cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the debentures above independent market levels. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments that the underwriters may be required to make in respect thereof.

The underwriters or their affiliates have provided and may in the future continue to provide investment banking and other financial services, including acting as lenders under our revolving credit facility, for us and our affiliates in the ordinary course of business.

It is expected that delivery of the debentures will be made on or about the date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date of this prospectus supplement. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, the purchasers who wish to trade debentures on the date of this prospectus supplement or the next two succeeding business days will be required to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of debentures who wish to trade debentures on the date of this prospectus supplement or the next two succeeding business days should consult their own advisors.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934. You may read and copy any document that we file at the public reference facilities of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. You may also inspect our annual, quarterly and special reports, any proxy statements and other information over the Internet at the SEC's home page at <http://www.sec.gov>. Our common shares are listed on the New York Stock Exchange under the symbol MKL. Our filings may also be read and copied at the New York Stock Exchange at 20 Broad Street, New York, NY 10005.

This prospectus is part of a registration statement we have filed with the SEC relating to the debentures. The SEC allows us to incorporate by reference the information filed with them, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus, and later information filed with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until all the offered securities are sold, except for any information furnished under items 2.02 and 7.01 of our Current Reports on Form 8-K. The documents incorporated by reference are:

Annual Report on Form 10-K for the year ended December 31, 2005.

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006.

Current Reports on Form 8-K filed July 24, 2006, May 25, 2006, March 8, 2006 and January 30, 2006.

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

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VALIDITY OF DEBENTURES

Certain legal matters in connection with the debentures will be passed upon for us by McGuireWoods LLP, Richmond, Virginia. Leslie A. Grandis, a partner in McGuireWoods LLP, is a member of the Board of Directors of Markel. As of August 10, 2006, partners of McGuireWoods LLP owned less than 1% of our common shares outstanding on that date. The underwriters are represented by Shearman & Sterling LLP, New York, New York.

EXPERTS

The consolidated financial statements of Markel Corporation and subsidiaries as of December 31, 2005 and 2004 and for each of the years in the three-year period ended December 31, 2005, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2005, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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PROSPECTUS

Markel Corporation

Common Shares, Preferred Shares, Debt Securities, Warrants, Share Purchase Contracts and Share Purchase Units

From time to time, we may offer and sell:

common shares,

preferred shares,

debt securities,

warrants,

share purchase contracts, and

share purchase units.

We will file prospectus supplements and may provide other offering materials that furnish specific terms of the securities to be offered under this prospectus. The terms of the securities will include the initial offering price, aggregate amount of the offering, listing on any securities exchange or quotation system, investment considerations and the agents, dealers or underwriters, if any, to be used in connection with the sale of the securities. You should read this prospectus and any supplement or other offering materials carefully before you invest.

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

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

The date of this prospectus is December 20, 2005.

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MARKEL CORPORATION

General

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

Markel Corporation is a Virginia corporation headquartered at 4521 Highwoods Parkway, Glen Allen, Virginia 23060-6148, telephone number (804) 747-0136. We use the terms we, us, our, and Markel to refer to Markel Corporation in this prospectus.

Safe Harbor and Cautionary Statements

This prospectus may contain or incorporate by reference forward-looking statements. Examples include discussions as to our expectations, beliefs, plans, goals, objectives and future financial or other performance. These statements, by their nature, involve estimates, projections, forecasts and uncertainties that could cause actual results or outcomes to differ substantially from those expressed in the forward-looking statements. Factors that could cause actual result