

Markel Reports 2021 Third Quarter and Nine-Months Results

11/2/2021

RICHMOND, Va., Nov. 2, 2021 /PRNewswire/ -- Markel Corporation (NYSE: MKL) today reported its financial results for the third quarter of 2021. The Company also announced today it has filed its Form 10-Q for the quarter ended September 30, 2021 with the Securities and Exchange Commission.

The following tables present summary financial data for the quarters and nine months ended September 30, 2021 and 2020.

(dollars in thousands, except per share amounts)	Quarter Ended September 30.		Nine Months Ended September 30.	
	2021	2020	2021	2020
Earned premiums	\$ 1,630,500	\$ 1,394,428	\$ 4,696,232	\$ 4,085,311
Markel Ventures operating revenues	\$ 908,185	\$ 824,132	\$ 2,690,293	\$ 2,013,492
Net investment gains (losses)	\$ (25,833)	\$ 539,302	\$ 1,175,791	\$ (230,896)
Comprehensive income to shareholders	\$ 80,236	\$ 520,089	\$ 1,288,887	\$ 259,673
Diluted net income (loss) per common share	\$ 15.09	\$ 31.03	\$ 114.20	\$ (3.76)
Combined ratio	93 %	97 %	91 %	101 %
(in thousands, except per share amounts)	September 30, 2021	December 31, 2020		
Book value per common share outstanding	\$ 980.99	\$ 885.72		
Common shares outstanding	13,685	13,783		

Highlights of results from the quarter and nine months include:

- Earned premiums grew 17% and 15% for the quarter and nine months ended September 30, 2021, respectively, reflecting continued growth in gross premium volume from new business and more favorable rates.
- The lower combined ratio for both the quarter and nine months ended September 30, 2021 compared to the same periods of 2020 reflected a lower current accident year loss ratio given the benefit of a favorable pricing environment and the impact of actions taken to enhance our underwriting portfolio.
- The combined ratio for the quarter ended September 30, 2021 included \$114.4 million, or seven points, of net losses and loss adjustment expenses attributed to natural catastrophes, including Hurricane Ida and the floods in Europe. The combined ratio for the quarter ended September 30, 2020 included \$46.8 million, or three points, of net losses and loss adjustment expenses attributed to COVID-19 and \$101.8 million, or seven points, of net losses and loss adjustment expenses attributed to natural catastrophes that occurred in 2020.
- The combined ratio for the nine months ended September 30, 2021 included \$182.3 million, or four points, of net losses and loss adjustment expenses attributed to Hurricane Ida, the floods in Europe and Winter Storm Uri. The combined ratio for the nine months ended September 30, 2020 included \$371.8 million, or nine points, and \$101.8 million, or two points, of net losses and loss adjustment expenses attributed to COVID-19 and natural catastrophes that occurred in 2020, respectively.
- Net investment gains for the nine months ended September 30, 2021 reflected a substantial increase in the fair market value of our equity portfolio driven by favorable market value movements during 2021. Net investment gains (losses) in 2020 reflected the impact of significant volatility in the equity markets following the onset of the COVID-19 pandemic.
- Operating revenues from our Markel Ventures operations for the quarter and nine months ended September 30, 2021 continued to expand through both organic growth and contributions from Lansing Building Products, which was acquired in the second quarter of 2020.
- Comprehensive income to shareholders in 2021 for both the quarter and nine months reflected the contribution of net income, partially offset by decreases in net unrealized gains on our fixed maturity portfolio.

"Our third quarter and year-to-date results reflect the strength and balance of our three-engine operating model of insurance, investments and Markel Ventures," said Thomas S. Gayner and Richard R. Whitt, Co-Chief Executive Officers. "This quarter our insurance operations saw the benefit of recent changes in our property catastrophe underwriting strategy as we delivered a combined ratio in the low 90s, despite significant natural catastrophe events. Our premium growth accelerated in the third quarter as we continued to attract new business and achieved double-digit rate growth, particularly on our preferred product lines."

"Our Markel Ventures businesses continue to grow and add value. We added Buckner HeavyLift Cranes to our group in the third quarter, which further strengthens and diversifies our family of companies," Gayner and Whitt

continued. "Our investment portfolio delivered solid results for the first nine months, and we continue to evaluate our investment performance with a long-term focus in mind."

"As we enter the final quarter of 2021, we believe we are well-positioned to finish the year strong, and we will look to all three operating engines to power us through the finish line," said Gayner and Whitt.

We believe our financial performance is most meaningfully measured over longer periods of time, which tends to mitigate the effects of short-term volatility and also aligns with the longer-term perspective we apply to operating our businesses. We generally use five-year periods to measure our performance. Over the five-year period ended September 30, 2021, the compound annual growth in book value per common share outstanding was 10%. Over the five-year period ended September 30, 2021, our share price increased at a compound annual rate of 5%.

A copy of the Company's Form 10-Q is available on our website at www.markel.com or on the SEC website at www.sec.gov. Readers are urged to review the Form 10-Q for a more complete discussion of the Company's financial performance. The Company's quarterly conference call, which will involve discussion of the Company's financial results and business developments and may include forward-looking information, will be held Wednesday, November 3, 2021, beginning at 9:30 a.m. (Eastern Time). Investors, analysts and the general public may listen to the call free over the Internet through the Company's website at www.markel.com in the "For investors" section. Any person needing additional information can contact Markel's Investor Relations Department at IR@markel.com. A replay of the call also will be available from approximately one hour after the conclusion of the call until Monday, November 15, 2021.

About Markel Corporation

Markel Corporation is a diverse financial holding company serving a variety of niche markets. The Company's principal business markets and underwrites specialty insurance products. In each of the Company's businesses, it seeks to provide quality products and excellent customer service so that it can be a market leader. The financial goals of the Company are to earn consistent underwriting and operating profits and superior investment returns to build shareholder value. Visit Markel Corporation on the web at www.markel.com.

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