

Markel Reports Third Quarter and Nine-Months Results

10/30/2018

RICHMOND, Va., Oct. 30, 2018 /PRNewswire/ -- Markel Corporation (NYSE:MKL) reported comprehensive income to shareholders of \$315.1 million for the third quarter of 2018 compared to a comprehensive loss to shareholders of \$19.9 million for the third quarter of 2017. Comprehensive income to shareholders was \$304.6 million for the nine months ended September 30, 2018 compared to \$545.7 million for the same period of 2017. The combined ratio was 99% for the third quarter of 2018 compared to 134% for the third quarter of 2017. The combined ratio was 94% for the nine months ended September 30, 2018 compared to 108% for the same period of 2017. Diluted net income per share was \$28.50 for the quarter ended September 30, 2018 compared to diluted net loss per share of \$18.82 for the third quarter of 2017. Diluted net income per share was \$44.21 for the nine months ended September 30, 2018 compared to diluted net loss per share of \$4.52 for the same period of 2017. Book value per common share outstanding was \$704.70 at September 30, 2018, up 3% from \$683.55 at December 31, 2017.

The combined ratio for the quarter and nine months ended September 30, 2018 included \$75.7 million, or six points and two points, respectively, of underwriting losses, net of reinstatement premiums, from Hurricane Florence and Typhoon Jebi. The combined ratio for the quarter and nine months ended September 30, 2017 included \$503.0 million, or 46 points and 16 points, respectively, of underwriting losses, net of reinstatement premiums, from Hurricanes Harvey, Irma and Maria as well as the earthquakes in Mexico.

Net income to shareholders for the quarter and nine months ended September 30, 2018 included \$426.6 million and \$417.4 million, respectively, of pre-tax net investment gains attributed to an increase in the fair value of equity securities (\$339.3 million and \$321.2 million, net of tax). Prior to 2018, changes in the fair value of the Company's equity securities were included in other comprehensive income on an after-tax basis.

Thomas S. Gayner and Richard R. Whitt, Co-Chief Executive Officers, commented, "Comprehensive income to shareholders for the third quarter reflects strong performance in our equity portfolio, while our fixed income portfolio was unfavorably impacted by rising interest rates. Our results for the quarter also reflect substantial contributions from our Markel Ventures operations. Within our underwriting operations, we produced a small underwriting profit, despite catastrophe losses in the quarter, and continue to maintain a strong balance sheet. We are excited about recent growth opportunities in both our Markel Ventures and insurance operations, including our most recent acquisition of Brahmin earlier this month, and our planned acquisition of Nephila, which is expected to close next month."

The Company also announced today it has filed its Form 10-Q for the quarter ended September 30, 2018 with the Securities and Exchange Commission. A copy of the Form 10-Q is available on the Company's website at www.markelcorp.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, October 31, 2018, beginning at 9:30 a.m. (Eastern Time). Any person interested in listening to the call should contact Markel's Investor Relations Department at 804-747-0136. Investors, analysts and the general public also may listen to the call free over the Internet through the Company's website, www.markelcorp.com. A replay of the call also will be available from approximately one hour after the conclusion of the call until Monday, November 12, 2018.

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.markelcorp.com.

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Investor Relations, Markel Corporation, 804-747-0136, investorrelations@markelcorp.com