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Markel International: Entry into India

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Entry into India

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This case was prepared from various referenced sources and was developed solely for classroom discussion; the case is not intended to serve as an endorsement, source of primary data or an illustration of either effective or ineffective handling of a business situation. The authors gratefully acknowledge information and insights provided by Bruce Kay, Vice President of Investor Relations, Markel Corporation.

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INTRODUCTION

William Stovin, the President and Chief Operating Officer of Markel International (MKLI) was pleased with the rapid growth of his company. Since its acquisition and formation as a subsidiary of the Markel Corporation in 2000, MKLI had written gross premiums of \$641 million and produced operating profits of \$52 million in fiscal 2009. This growth had come from expanding operations into Sweden, Spain, Canada, Singapore, and the U.K.

In 2010, Stovin and his staff were exploring entry opportunities into India and the old Soviet Bloc countries. Both areas were attractive because of an underdeveloped insurance industry and a rapidly growing middle class. However India seemed to present a greater opportunity given the shift of an industry from a public to a private sector composition and the rapid growth of foreign direct investment.

The challenge for MKLI was to develop an entry strategy into India. Many questions had to be answered including selecting a joint venture Indian partner (required in India) and determining a strategic fit with the partner.

Markel Corporation

A. Overview

Markel (MKL – NYSE) is an international property and casualty insurance holding company, which underwrites specialty insurance products and programs to various niche markets. It mainly serves markets such as: wind and earthquake exposed commercial properties, liability coverage for highly specialized professionals, horse mortality, personal watercrafts, high-valued motorcycles, aviation and energy related activities. The company has operations in the US, headquartered in Richmond, VA and internationally headquartered in London.

In fiscal 2009, Markel's insurance operations produced total gross premiums of \$1.9 billion, a decline of 14% from 2008. Factors for the decline included lower insurance market prices, depressed demand, weakening overall economy and governmental actions. However, investing operations produced a total portfolio return of 13.2% with equity returns of 25.7% and fixed income returns of 9.8%. Book value rose 27% from \$222 to \$283 per share in 2009.

B. Business Model

Insurance is a two part business, underwriting (generating premiums/capital) and investing the capital. The value of a company's portfolio determines how much insurance it can underwrite. To cover expected claims on the underwriting side, most insurers invest more proceeds in safe investments such as bonds and less in long term equities.

Unlike traditional insurers of life, auto and homeowner policies, Markel is a specialty insurer. While most insurance companies underwrite classes of business, Markel is a risk underwriter, focusing on underserved, niche markets where insurance products can be designed and sold at a profitable margin. The ability to make a profit is key in this model, not the size of the market.

From its underwriting operations, Markel targets more than sufficient capital in fixed income securities (bonds) to cover any claims. Since underwriting is done at a profit, Markel typically has

excess premium revenues which can be invested in long term equities. The overall goal is to compound book value at a high rate of return.

C. Specialty Insurance

In the standard insurance market, rates and forms are highly regulated, products and coverages are uniform and companies tend to compete with customers on price. The specialty market provides coverage for hard to place risks and tends to focus less on price and more on value. Most accounts are considered on an individual basis and tailored solutions are offered.

D. Underwriting Segments

Exhibit 1 contains a breakout (percent of gross premium value) of the three operating segments of Markel, Excess and Surplus, Specialty Admitted, and the London Market (Markel International).

1. Excess and Surplus Segment - this segment reported gross premiums of \$1 billion and underwriting profits of \$36.2 million in 2009. Business is written through two distribution channels, professional surplus lines general agents and wholesale brokers. In the US, Markel has six underwriting offices located in New Jersey, Virginia, Illinois, Texas, California and Arizona.

For this segment, Markel has established a product line leadership group that has responsibility for developing underwriting and pricing guidelines. The group also delegates underwriting authority to the regional underwriters to ensure that the products needed by customers are available through the regional offices.

Exhibit 2 contains a breakout (percent of gross premium value) of the product line groups in the Excess and Surplus segment, which include

- Professional and Products Liability - offers unique solutions for highly specialized professions; third party protection to manufacturers, distributors, importers and re-packagers of manufactured products; employment practices liability, not-for-profit directors' and officers' liability. This group also offers claims-made medical malpractice coverage for individual or groups of doctors, dentists, and other medical professionals.
- Property and Casualty - offers a variety of liability coverages on light-to-medium casualty exposures such as restaurants and bars, child and adult care facilities, vacant properties, general or artisan contractors, office buildings and light manufacturing operations.
- Environmental - targets small to mid-sized environmental contractors and offers a complete array of coverages, including consultant's professional liability, contractor's pollution liability and site specific environmental impairment liability.
- Excess and Umbrella - offers products that are written on both a primary and excess basis over approved underlying insurance carriers, primarily for commercial business. Targeted classes include commercial and residential construction contractors and subcontractors, manufacturers, wholesalers, retailers, service providers, municipalities and school districts.
- Transportation - offers physical damage coverages for high-value automobiles such as race cars and antique vehicles, as well as specialty commercial vehicles including dump trucks,

- coal haulers, bloodmobiles, and house moving vehicles. Targeted classes in this product line group include used car and truck dealers, motorcycle dealers, and repair shops.
- Inland Marine - offers specialty coverages for risks such as motor truck cargo, warehouseman's legal liability and contractors' equipment.
 - Ocean Marine - offers a variety of coverages including general liability, professional liability, property and cargo for many marine-related classes.
2. Specialty Admitted Segment - this segment reported gross premiums of \$302 million in 2009 and has two operating units; Markel Specialty and Markel American Specialty Personal and Commercial (see Exhibit 3).
- A. Markel Specialty Unit - focuses on providing total insurance programs for businesses engaged in highly specialized activities that do not fit the risk profiles of standard insurers and make complete coverage difficult to obtain from a single insurer. The unit is organized into the following product areas/divisions (see Exhibit 3A):
- Property and Casualty - writes commercial coverages for youth and recreation organizations, such as children's camps, YMCAs, and child care centers. This division also writes commercial coverages for social service organizations, museums and historic homes, performing arts organizations, and bed and breakfast inns.
 - Horse and Farm - specializes in insurance coverages for horse-related risks.
 - Accident and Health - writes liability and accident insurance for amateur sports organizations, accident and medical insurance for colleges, universities, public schools and private schools, short-term medical insurance, and pet health insurance.
 - Garage - provides commercial coverages for auto repair garages, gas stations, convenience stores and used car dealers.
 - General Agent Programs - develops partnerships with managing general agents to offer single source admitted and non-admitted programs for a specific class or line of business.

The majority of the Markel Specialty business is produced by retail insurance agents. Management grants very limited underwriting authority to a few carefully selected agents and controls agency business through regular audits and pre-approvals. Certain products and programs are also marketed directly to consumers or through large retail specialist wholesale producers. We are going to great lengths to differentiate our Specialty Unit as being distinct from our wholesale operation.

- B. Markel American Specialty Personal and Commercial Unit offers insurance products in niche markets and focuses its underwriting on marine, recreational vehicle, property and other personal line coverages. It has the following divisions (see Exhibit 3B):
- Marine – offers personal lines coverage for older boats, high performance boats, moderately priced yachts and newer watercraft up to 26 feet.
 - Recreational Vehicle - provides coverage for motorcycles, snowmobiles and ATVs.
 - Property - provides coverage for mobile homes and dwellings that do not qualify for standard homeowner's coverage.

Markel American Specialty Personal and Commercial Line products are characterized by high numbers of transactions, low average premiums and creative solutions for under-served and emerging markets. The unit distributes its marine, property and other products through wholesale or specialty retail producers. The recreational vehicle program is marketed directly to the consumer using direct mail, internet and telephone promotions.

3. Markel International / London Insurance Market Segment

A. Overview

In addition to seven branch offices in the United Kingdom, Markel International has offices in Spain, Singapore, Sweden, and Canada. Markel International writes specialty property, casualty, professional liability and marine insurance on a direct and reinsurance basis. Business is written worldwide with approximately 24% of writings coming from the United States. In fiscal 2009, Markel International reported gross premiums of \$641 million and operating profits of \$52 million.

Markel International operates in the UK through two commercial entities:

- Markel International Insurance Company Limited (MIICL), its London based insurance company; and
- Markel Syndicate 3000, a 100% owned Lloyd's corporate syndicate.

MIICL is licensed:

- For insurance in all EU countries
- Has a surplus lines license in 47 US States plus District of Columbia & US Virgin Islands
- Is an Accredited Reinsurer in 47 US States plus District of Columbia

MIICL also writes insurance in a number of other overseas territories and reinsurance in most countries around the world. Markel Syndicate 3000 benefits from Lloyd's global licenses and therefore is able to write insurance and reinsurance business worldwide.

Effective October 1, 2009, this segment included the results of Elliott Special Risks (ESR), a Canadian managing general agent that provides insurance underwriting and administrative services to insurers. ESR was acquired for approximately \$70 million and specializes in niche commercial liability and property coverages. In 2009, ESR produced approximately \$90 million of gross premium, including \$9 million of premiums for Markel International.

B. Operating Divisions – Markel International has the following underwriting units/divisions (see Exhibit 4):

- Marine and Energy - underwrites a portfolio of coverages for cargo, energy, hull, liability, war and specie risks. The cargo account is an international transit-based book covering many types of cargo. The energy account includes all aspects of oil and gas activities. The hull account covers physical damage to ocean-going vessels. The liability account provides coverage for a broad range of energy liabilities, as well as traditional marine exposures. The war account covers the hulls of ships and aircraft, and other related interests, against war

and associated perils. The specie account includes coverage for fine art on exhibit and in private collections, securities, bullion, precious metals, cash in transit and jewelry.

- Non-Marine Property - writes property and liability business for a wide range of coverage ranging from fire to catastrophe perils such as earthquake and windstorm. Business is written in either the open market or delegated authority accounts.
- Professional and Financial Risks - underwrites professional indemnity, directors' and officers' liability, intellectual property, some miscellaneous defense costs, incidental commercial crime and general liability coverages.
- Retail - offers a full range of professional liability products, including professional indemnity, directors' and officers' liability and employment practices liability. In addition, coverage is provided for small to medium-sized commercial property risks on both a stand-alone and package basis.
- Equine - writes bloodstock, livestock and aquaculture related products. The bloodstock account provides coverage for risks of mortality, theft, infertility and specified perils. The livestock account provides coverage for farms, zoos, animal theme parks and safari parks. The aquaculture account provides comprehensive coverage for fish at onshore and offshore farms.

INDIA

A. Overview / 2010

India has a population of 1.2 billion and is projected to overtake China as the world's most populous country in less than 20 years. It has one of the youngest populations with approximately 700 million people being less than 29 years of age. India is a federation of 28 states and 7 union territories, encompassing a large number of ethnic groups, the largest being Hindu (84% of population). The United States and India are the world's largest democracies.

B. Government

The president of India holds all executive power and appoints the Prime Minister and Cabinet on the basis of election results. The current president, Pratibha Patil, was elected in 2007, with her party (National Congress) holding majority control of both houses of Parliament. With the next presidential election scheduled in 2012, the government is considered to be very stable.

C. Economy

The economy grew at an average rate of more than 8% (GDP) per year between 2000 and 2007 but the pace slipped to 6.8% in 2009 when capital imports and exports declined. Growth in farm output also slumped badly when world commodity prices fell. GDP is projected to grow by 8% in 2010 and remain near that level through 2014. See Exhibit 5.

The economy is being driven mainly by public spending, which has bolstered business confidence but created financial imbalances. The fiscal deficit is expected to reach 10% of GDP in 2010 and could crowd out private investment as the recovery gains momentum.

Around six million of the country's households are considered to be 'rich' and spend more than US\$28 billion per year. Currently, India is the world's 12th largest consumer market, roughly equivalent to that of Brazil with a population only a sixth the size of India's. By 2015, India's consumer market could match that of Italy's in absolute terms and by 2025 it will trail only those of the USA, Japan, China and the UK.

Trade barriers have been reduced since the country joined the WTO but import tariffs are still high. Analysts expect that India's share of world trade will continue to rise over the next decade. The current account deficit was 2.2% of GDP in 2009 and will rise to 2.5% in 2010.

The country's infrastructure needs are acute. Analysts calculate that inadequate infrastructure will reduce growth of GDP by about 1% per year. India plans to boost total spending on infrastructure to around 9% of GDP by 2014. Infrastructure investments will total around US\$320 billion over this period.

Income inequality is on the rise as the economy expands. The government estimates that a third of the electorate subsists on less than US\$1 a day. As the middle class prospers, it becomes more urgent that authorities find ways to help the poor. The government's goal is to cut the incidence of poverty by half in 2009-2014.

Inflation is a serious issue in India, averaging 4-5% in 2009, driven primarily by rising food prices. If the government addresses the food issue, inflation in 2010 and beyond may continue at 4%, however if oil prices go up, inflation could rise to 5-6%

In summarizing the future of the Indian economy, Rajesh Chakrabarti, of the Indian School of Business states the following: "Overall, in 2010 and beyond, the economy will continue to be strong on the domestic front. The driver of growth will continue to be internal consumption, the aspirations of a large middle class and the spread of the income base across different segments of the economy. We are now seeing the emergence of a much larger and far more powerful middle class with more buying power than ever before. The growth in the automobile sector, for instance, shows that the middle class has been sitting on a certain amount of surplus money which it is now ready to deploy. India is a very peculiar economy where the middle class has a long way to go in building a good quality of life in keeping with its aspirations. This, in itself is a big driver of growth. The dampener to the economy, however, could come from the supply side. Food prices are a major concern. Within this, the issue is not just of poor monsoons and poor food supply but also of food management."

INSURANCE INDUSTRY IN INDIA

A. Overview/History

From 1970-1999, the industry was essentially a monopoly, with the General Insurance Corporation of India (GIC) being the only player. GIC had four subsidiaries which were headquartered in the big Metro Cities of India.

In 1999, the Insurance Regulatory and Development Authority Act was passed which removed the exclusive privilege of GIC to conduct business in India. The four subsidiaries of GIC became independent public insurance companies. The act also triggered the startup and rapid growth of private insurance companies in India. These companies were the product of joint ventures between foreign insurance firms and an Indian partner such as a bank or manufacturer.

B. Structure

In 2009, the Indian insurance industry was estimated at over \$50 billion (US) in annual premiums. The industry consists of two segments, Life Insurance (\$44.5 billion) and General Insurance (non-life, \$6.3 billion). There are 23 companies competing in Life, 22 of which are private; in the General segment, 15 are private and 6 public. Exhibit 6 contains a breakout of the structure and the rapid growth of new private players in the industry, caused by deregulation.

C. Past and Projected Financial Growth

In 2009, India was the fifth largest insurance market in Asia, trailing China, South Korea, and Taiwan. However, it enjoyed tremendous growth from 2000 to 2008 as the result of the many new private firms entering the industry. From fiscal 2001 to 2007, total premiums in both Life and General grew at a compound annual growth rate of 25.8%.

With the downturn in capital markets, the Life segment witnessed a 6% decline in premiums in 2009. The bulk of this decline occurred with private insurers who offered a myriad of linked products. From 2010-2014, Life is projected to grow by 4% per annum. Key drivers in this growth are increasing per capita incomes, rising affluence and increasing life expectancy. Also the penetration rate per GDP is expected to grow from 4 to 5%.

Growth in the General segment slowed to 12% in 2008 and 9% in 2009, again caused by the downturn in capital markets. Projections for 2010 and beyond call for modest (5%) growth in the short term followed by stronger growth (>10% per annum) in the mid and long term. The key driver here is the very underdeveloped General insurance industry, i.e. 0.7% penetration rate per GDP compared to a world average of 3.1%. Also, the strong emergence of the middle class and young population growth are key factors.

Life Insurance Segment

The one public life insurer (LIC) dominated this segment with a market share of approximately 75% of the total premiums (\$44 b) written in 2009. ICICI Prudential, a joint venture between ICICI Bank of India and Prudential (UK) had a market share of approximately 7%, the largest private sector company. Exhibit 7 contains a breakout of the players in the Life Insurance segment.

A. Life Insurance Segment Trends

Several future trends are projected in the Life segment:

1. Unit-linked insurance plans will be the key products offered to consumers. Such plans give investors the option to put a part of their premium in various investment portfolios. The downside to such products is the tie in to capital markets.
2. Rising competition will trigger a fall out of underperforming firms.
3. Technology (data collection and usage) will be a key competitive advantage for firms. A big edge is forecasted for private firms here.
4. Enhanced customer service via new distribution channels will be an absolute must.

General Insurance Segment

Exhibit 8 contains a breakout of the segment in 2009 from a public to private perspective. Forty one percent (41%) of premiums in 2009 were written by private companies, compared to only 20% in fiscal 2005. This trend is expected to continue in the future because the private companies are better funded and enjoy technology advantages.

Almost all of the private companies are joint ventures between foreign insurance firms and an Indian partner such as a bank, healthcare or manufacturing company. The maximum percent ownership in

these joint ventures by the foreign firm was limited to 26% in 2009; however, it is expected that the limit will be raised to 49% in the near future.

ICICI Lambard and Bajaj Allianz are the leading private firms. They have experienced strong growth by concentrating on the personal/retail product segment and building a huge distribution network. During the last two years (2007-2009), several specialty firms have entered this industry including ECGC, Star Health & Allied, Apollo DKV and Agricultural Insurance.

A. General Insurance – Composition

Exhibit 9 contains a percent breakout of the General Insurance segments in 2009, with motor insurance being the largest. Products are sold to two primary distribution channels, Commercial Business and Personal/Retail. Growth in the latter channel will increase because of higher income levels and improving lifestyles.

Some trends that are occurring within these segments include:

1. Private firms have avoided motor insurance due to low pricing and high claim payouts.
2. Fire insurance and marine insurance are dominated by the six public companies.
3. Health insurance is showing the highest growth representing approximately 20% of total premiums written compared to 15% in 2007.

B. Channels of Distribution

Exhibit 10 contains a breakout of how insurance companies sell their products in India, with individual agents being the prime source. Since distribution through segments requires a long term commitment and investment, private firms prefer other options such as corporate agent banks, brokers/corporate agents and internet/mobile.

Banks acting as corporate agents have been a major source of distribution for private firms. Also brokers and other corporate agents are emerging with over 250 direct brokers in the industry. Global insurance brokers such as Aon, Marsh, Willis and Howden have entered the Indian market.

C. Removal of Tariffs (Detariffing)

In 2007, the Indian insurance industry was allowed to restructure pricing options for its consumers. Insurers were permitted to raise premium rates but were not allowed to vary coverage, terms and conditions. This allowed a migration to risk based pricing.

In 2009, insurers were allowed to file variations in deductibles and coverage. This allowed flexibility in breadth of coverage. However, detariffing has led to a virtual price war in products such as fire and motor resulting in lower profitability.

The impact of detariffing on a short term basis will result in negative profitability in certain products but will present long term opportunities for firms with scientific risk based pricing and strong underwriting capabilities. Private firms seem to be best positioned for these opportunities.

D. Future Opportunities/Threats

The General Insurance Industry is projected to grow beyond 2010 because of the low insurance penetration as a % of GDP, higher disposable income and increasing urbanization.

Opportunities for new and existing entrants will be product innovation and higher levels of customization for consumers. Also firms must develop systems that will insure accurate pricing of risks and adequate training of underwriters and sales force.

Threats include the short term effect of detariffication and a slow recover of global capital markets. Also fringe players will have to rethink their entry plans. Consolidation with established firms may be a solution for small companies to both enter and grow their business. This may result in an industry shakeout dominated by large players.

ICICI Lombard General Insurance Company Ltd

This company entered the general insurance industry in India in 2001 and is the number one private company in the General Insurance segment. It is a 74-26% joint venture between ICICI Bank Limited and the Canada-based Fairfax Financial Holdings Limited. ICICI Bank is India's second largest bank, and Fairfax Financial Holdings is a diversified financial corporate engaged in general insurance, reinsurance, insurance claims management and investment management. The company is the first private sector company to break-even within one year of its commencement of the business in this industry. At the end of 2009, the company had 285 offices in more than 110 cities.

The key to the success of this company was its ability to offer a wide range of products and establish effective channels of distribution. Its products include:

Business Solutions – Burglary Insurance, Industrial All Risk, All Risk Insurance, Consequential Loss (Fire) Insurance, Electronic Equipment Insurance, Fidelity Insurance, Marine export import, and Machinery.

Project Solutions – Contractors' All Risk, Contractors' Plant & Machinery, Erection All Risk and Performance Guarantee.

Liability Solutions – Directors & Officers Liability, Event Insurance, Product liability, Workmen's Compensation, and Professional Indemnity.

Export Solutions – Export Import Transit and Export Credit.

Rural Solutions – Weather Insurance, Janata Personal Accident, Tractor, and Farmer's Package.

Personal Solutions – Health Insurance, Personal Accident, Group Personal Accident, and Group Health.

Travel Insurance – Domestic Travel, Individual Overseas Travel, Student Overseas Travel, Corporate Overseas Travel, and Pravasi Bhartiya Bima Yojana.

Motor Insurance – Two Wheeler and Four Wheeler.

Recent General Insurance Joint Ventures

During 2009, the following joint ventures took place in India,

- Max Bupa Health Insurance Co. Ltd was a 74%-26% health insurance joint venture between a multi-business Indian Corporation (Max India Ltd) and a U.K.-based health insurance group, Bupa Finance. Max Bupa's entry strategy was to provide health care solutions in untapped markets with a focus on India's 6 major cities.

- Insurance Australia Group (IAG) and the State Bank of India (SBI) formed a 26%-74% joint venture to enter the general insurance industry. The venture will have exclusive access to SBI's distribution network and brand and will target small and mid-sized businesses as well as the retail segment. The venture will be funded using IAG's internal resources.

Markel's Entry Into India

William Stovin knew that India represented a huge opportunity to grow Markel's international business; however numerous questions existed which needed resolution, namely:

1. Should we enter the Indian Insurance Industry?
2. If yes, who should our joint venture partner be?
3. Do we have sufficient knowledge of the Indian insurance market; what segment and products should we pursue?
4. Do we understand the distribution complexities in the market?
5. What does Markel bring to India; what does our company have to offer; i.e. an entry strategy?
6. What resources do we need to establish an effective presence and gain competitive advantage?
7. What investment will be necessary and what return expected?

Stovin wanted to make a recommendation to Markel's board by September, 2010. Therefore the above questions needed quick resolution.

Exhibit 1

Market Corporation – Operating Segments / 2009
Percent Breakout By Segment - \$1.9 billion Gross Premium Value

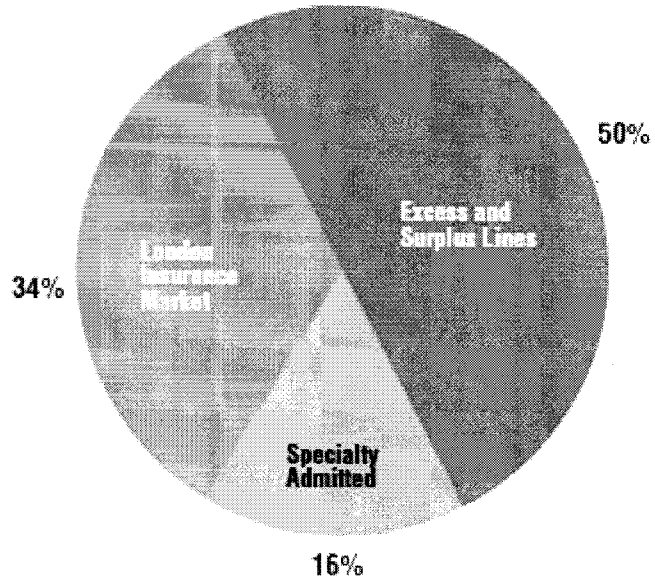


Exhibit 2

Excess and Surplus Lines Segment / 2009
Percent Breakout of Product Lines Groups - \$1.0 billion Gross Premium Value

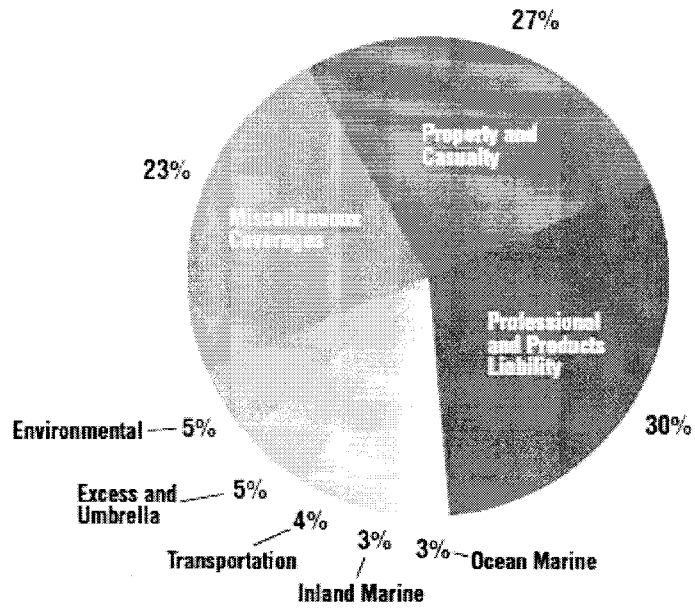


Exhibit 3

Specialty Admitted Segment - Operating Units / 2009 Gross Premium Value (\$302 million)

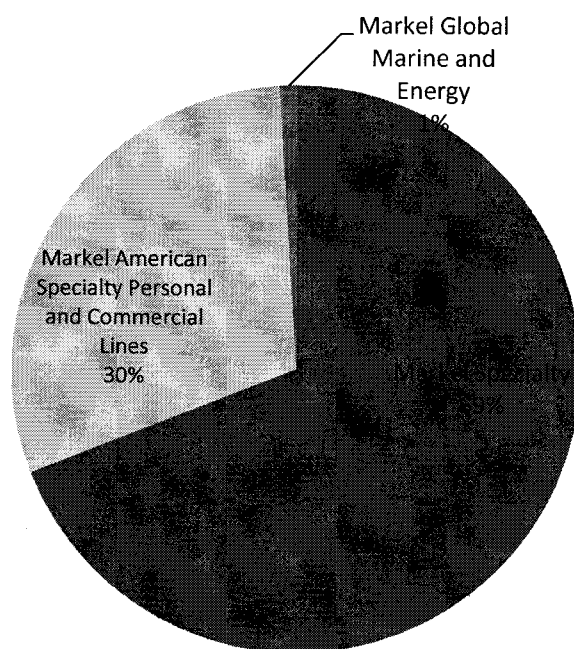


Exhibit 3A

**Market Specialty Unit
Percentage Breakout by Product Area
(\$210 million Gross Premium Value)**

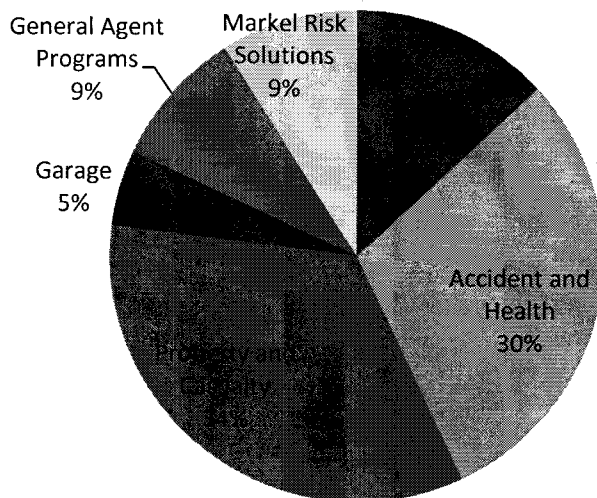


Exhibit 3B

**Market American Specialty Personal and Commercial Lines Unit
Percentage Breakout by Product Area
(\$90 million Gross Premium Value)**

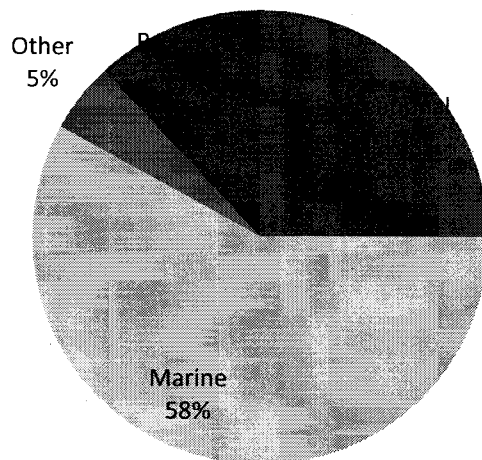


Exhibit 4

Markel International – London Insurance Market Segment / 2009
Percentage Breakout by Operating Units/Divisions - \$641 million Gross
Premium Value

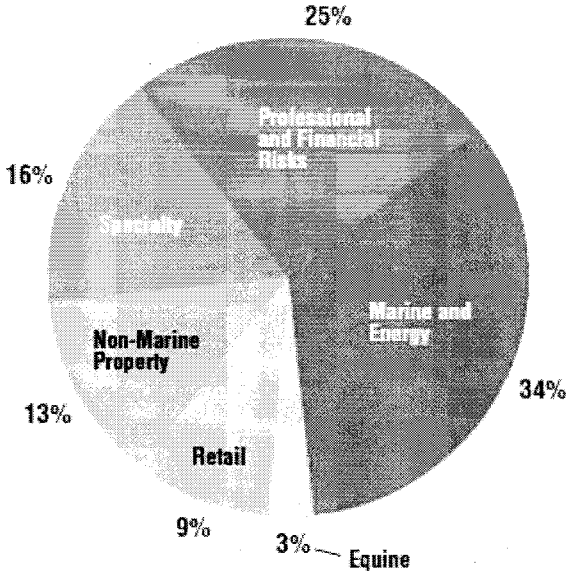


Exhibit 5

Key Macro Economic Indicators

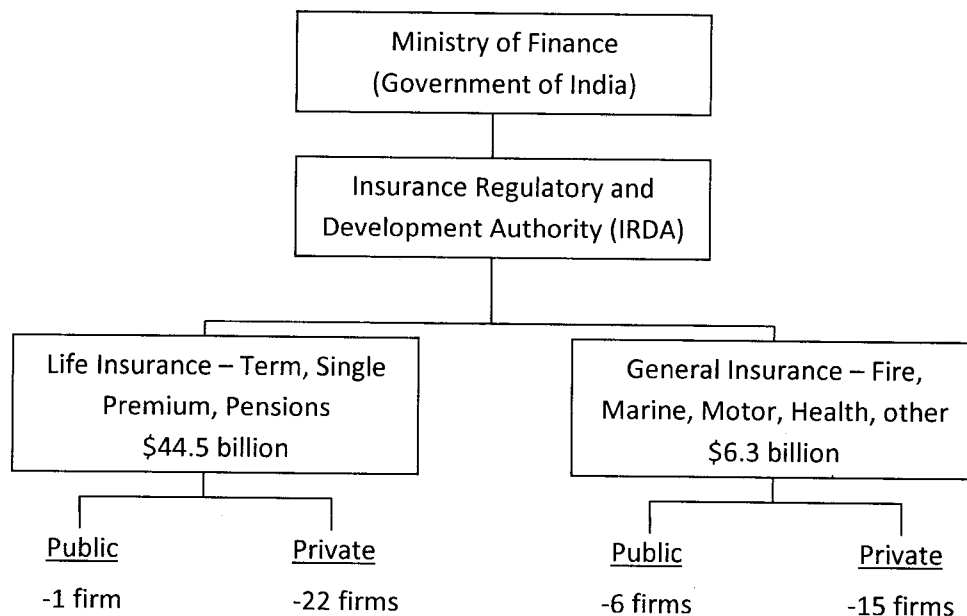
India; Actual – 2006-2009

Projected – 2010-2014

| | Actual | | | | Projected | | | | |
|--|--------|---------|---------|---------|-----------|---------|---------|---------|---------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Real GDP (% change) | 9.7 | 9.1 | 6.1 | 6.8 | 8.0 | 7.9 | 7.8 | 7.5 | 7.4 |
| Nominal GDP (US\$ bil.) | 911.4 | 1,142.3 | 1,223.2 | 1,221.2 | 1,496.8 | 1,698.9 | 1,940.6 | 2,180.7 | 2,425.4 |
| Consumer Price Index (% Change) | 5.8 | 6.4 | 8.4 | 10.9 | 8.5 | 5.8 | 5.1 | 4.4 | 4.3 |
| Exchange Rate (LCU/US\$, end of period) | 44.24 | 39.42 | 48.46 | 44.68 | 44.67 | 44.05 | 43.77 | 44.14 | 44.48 |

Exhibit 6

Indian Insurance Industry Breakout 2009 By Segment – Public vs. Private



Indian Insurance / Growth of Firms (2000 to 2009)

Number of Firms

| Life Insurers | 2000 | 2001 | 2005 | 2009 |
|------------------|------|------|------|------|
| Public | 1 | 1 | 1 | 1 |
| Private | 3 | 10 | 13 | 22 |
| General Insurers | 2000 | 2001 | 2005 | 2009 |
| Public | 4 | 4 | 6 | 6 |
| Private | 3 | 6 | 8 | 15 |
| Reinsurer | 1 | 1 | 1 | 1 |

Exhibit 7

Life Insurance Companies in India - Market Share 2009 \$44 billion Gross Premium Value

| Company | Indian Promoter Partner | Foreign Insurer | FDI (%) | Market Share (FY09) (%) |
|---------------------|---|----------------------------|---------|-------------------------|
| LIC* | Government of India | None | NIL | 74.39 |
| ICICI Prudential | ICICI Bank Ltd | Prudential, UK | 26.0 | 6.74 |
| Bajaj Allianz | Bajaj Auto | Allianz, Germany | 26.0 | 4.83 |
| SBI Life | SBI | BNP Paribas, France | 26.0 | 2.79 |
| HDFC Standard | HDFC | Standard Life, UK | 18.6 | 2.41 |
| Birla Sun Life | Aditya Birla Group | Sunlife, Canada | 26.0 | 1.63 |
| Reliance | Reliance Group | None | NIL | 1.60 |
| Max New York | Max, India | New York Life, USA | 26.0 | 1.35 |
| Tata AIG | Tata Group | AIG, USA | 26.0 | 1.02 |
| Aviva | Dabur | CGU Life, UK | 26.0 | 0.94 |
| OM Kotak Life | Kotak Mahindra Bank | Old Mutual, South Africa | 26.0 | 0.84 |
| Metlife | Jammu & Kashmir Bank, Shapoorji Pallonji, Max | Metlife, USA | 26.0 | 0.58 |
| ING Vysya | Gujarat Ambuja, Enam, Exide | ING Insurance, Netherlands | 26.0 | 0.58 |
| Shriram Life | Shriram Group | Sanlam, South Africa | 26.0 | 0.18 |
| Sahara | Sahara Group | None | NIL | 0.07 |
| Bharti AXA | Bharti Group | AXA Insurance, France | 26.0 | 0.06 |
| IDBI Fortis Life | IDBI, Federal Bank | Fortis, UK | 26.0 | 0.01 |
| Future Generali | Future Group | Generali Group, Italy | 26.0 | 0.00 |
| Canara HSBC OBC | Canara Bank, OBC | HSBC, Asia Pacific | 26.0 | 0.00 |
| AEGON Religare | Religare | AEGON, USA | 26.0 | 0.00 |
| Star Union Dai-ichi | Bank of India, Union Bank of India | Dai-ichi, Japan | 26.0 | 0.00 |
| DLF Pramerica | DLF | Pramerica, USA | 26.0 | 0.00 |

* LIC – one public company; others private

Exhibit 8

Breakout of General Insurance Segment
Percent Market Share – Private vs. Public
\$6.3 billion Gross Premium Value

| Insurer | Gross Written Premiums (\$ millions) | Market Share |
|----------------------|--|-----------------|
| | 2008-09 | |
| Private | | |
| ICICI - Lombard | 705 | 11% |
| Bajaj Allianz | 545 | 9% |
| Reliance General | 395 | 6% |
| IFFCO - Tokio | 313 | 5% |
| Tata - AIG | 182 | 3% |
| Royal Sundaram | 166 | 3% |
| Cholamandalam | 141 | 2% |
| HDFC ERGO General | 70 | 1% |
| Future Generali | 40 | 1% |
| Shriram General | 23 | 0% |
| Universal Sampo | 6 | 0% |
| Bharti AXA General | 6 | 0% |
| Private Total | 2,593 | 41% |
| Public | | |
| New India | 1,138 | 18% |
| National | 882 | 14% |
| United India | 882 | 14% |
| Oriental | 817 | 13% |
| Public Total | 3,719 | 59% |
| Grand Total | 6,313 | 100% |

Exhibit 9

General Insurance / 2009
Percentage Breakout by Product
\$6.3 billion Gross Premium Value

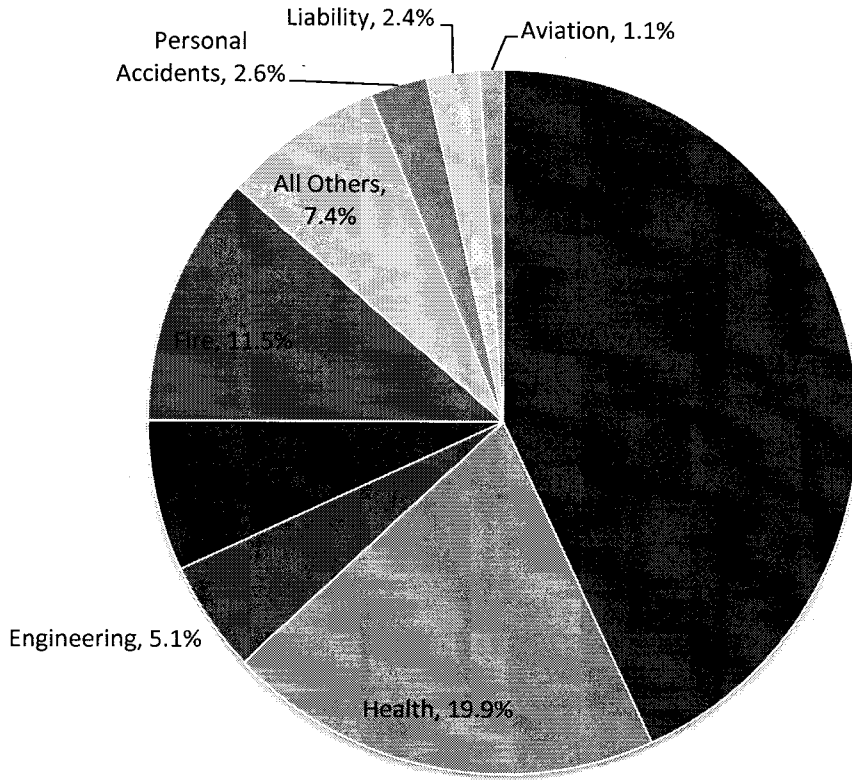
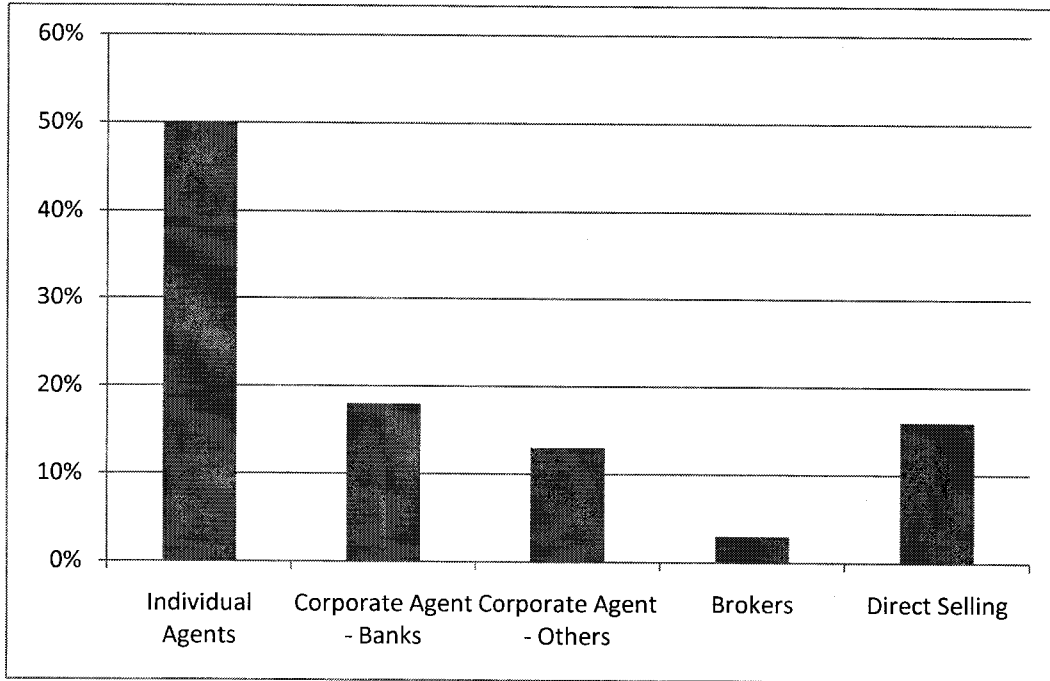


Exhibit 10

General Insurance Distribution Channels – 2009



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