

Markel Risk Solutions



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800-431-1270

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Our Focus is on You! Come Grow with Us in 2006!

2005 was a banner year for MRS due to the overwhelming support from you, our retail agency partners. We significantly increased our written premium production in 2005 with solid underwriting results. Currently represented by more than 200 agencies in 35 states, our long-term objective is to establish 300 to 400 retail agency relationships across the U.S.

We are very excited about our opportunities for partnering with you for continued profitable production in 2006. Clearly, 2006 will present its share of challenges for all of us if the current pricing trends continue. We stand ready for the challenge!

We have made significant additions to our highly experienced underwriting staff to complement future growth expectations. We offer an unrivaled team approach to

respond to the service needs of our agency plant. Every MRS agent will be assigned two Underwriters and one Associate Underwriter. A Production Underwriter will make frequent agency visits for the purpose of developing submission activity and coordinating the rating/quoting for account development. An Account Executive Underwriter will assume responsibility for coordinating the issuance of the account, including such activities as file documentation, completing inspection requirements, MVRs, and account renewal activity. The Underwriting Associate will provide administrative support to both the Production and Account Executive Underwriters.

You can be assured that our underwriting and management teams will be highly visible within your agency, getting to know your marketing directors and producers, and providing a "gray market" solution for your agency's problematic accounts. We believe this team approach will create a unique opportunity to provide our agency partners with a combined production, technical and service support system that will lead to significant relationship enhancement for the long term.

Working together with you, our agency partner, we anticipate a highly successful year in 2006. We are anxious to grow our OmniFlex product, and we are targeting significant development in our HBBs (Homogeneous Blocks of Business). You'll find articles about both of these products in this newsletter.

We sincerely appreciate your partnership and your business in 2005, and look forward to an outstanding 2006!

MRS Million Dollar Club!

We express our sincere appreciation to the following business partners who helped make 2005 a great year for MRS:

- Acordia of Illinois
- BB&T-Asura
- Brown and Brown—Daytona, FL
- Brown and Brown—Las Vegas, NV
- Hibbs-Hallmark
- HRH of Arizona
- HRH of Virginia
- Hylant Group
- M-J Insurance
- Thomas Rutherford
- United Insurance
- USI of Virginia
- Watson Insurance Agency
- Harold W. Wells & Son



MRS is Using the OmniFlex for Property Coverage

Markel Risk Solutions is very excited to offer the OmniFlex product on medium to large property schedules. The OmniFlex is utilized in similar fashion as the traditional Manufacturers Output Policy (MOP). The product is designed to allow property driven accounts to be written on an extremely flexible basis with rates determined on a "ground up" format based on individual risk characteristics. The coverage may be written on a monoline basis or in addition to other Commercial Package lines of business.



Not only does the OmniFlex have great pricing flexibility, the broad property coverage enhancements provide comprehensive built-in coverage, which makes it an easy sell to your client. We are very interested in developing significant volume with your agency utilizing the OmniFlex product and believe it will become a meaningful part of your portfolio.

Some of the automatic coverage highlights include:

Accounts Receivable	\$100,000
Electronic Data Coverage	\$100,000
Personal Property Off Premises	\$100,000
Fine Arts	\$100,000
Valuable Papers	\$100,000
Building Ordinance.....	\$100,000
Property in Transit	\$50,000
Consequential Loss	\$50,000
Pollution Cleanup	\$50,000
Employee Dishonesty	\$25,000
Money and Securities Inside	\$25,000
Money and Securities Outside.....	\$10,000

Many other optional endorsements are available to broaden coverages even further, including spoilage, manufacturer's selling price (finished stock only), utility service, and below-ground water and backup of sewers and drains.

For more information on this product, contact your MRS underwriter today.

Markel Risk Solutions Wants to Write Your HBB in 2006!

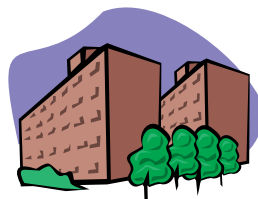
Are you currently writing or prospecting a group of accounts that you could write a ton of if you could just find the right carrier to listen? Here's your chance! We do a plethora of unique things here at MRS and HBBs (Homogeneous Blocks of Business) are one of our favorites.

MRS has a high level of interest in writing HBBs consisting of individual accounts with similar characteristics that, in the aggregate, develop a minimum premium level of \$1 million within a 12-month period.

2005 was an outstanding year for business development within our HBB portfolio. MRS launched no

less than six new HBBs in a variety of industry segments including scrap metal dealers, temporary staffing, franchise restaurants, and garden apartment owners, to name a few. 2006 has started out strong as we have just launched an HBB for water bottling operations and expect it to generate significant production.

We believe 2006 will exceed 2005 results and have high hopes for additional HBB opportunities including convenience stores, bowling centers, rental centers, welding products distributors and private country clubs.



There are a number of characteristics which illustrate a good HBB opportunity.

- Agency expertise in underwriting exposure and analysis
- Well defined marketing platform to access risk population
- A reasonable number of accounts (30 to 100+) depending on average account premium
- Average account premium of \$25,000 or greater within the HBB
- \$1 million in premium development within a 12-month period
- Agency controlled book of business

Take advantage of our penchant to write HBBs for you in 2006!

Call Dean Kemp at (804) 527-7586 to discuss your HBB in more detail.

MRS New Accounts Hit List

Here are just some of the new accounts we have written recently.

Electrical Supplies Distributor.....	\$405,704
Senior Housing.....	\$255,696
Mfg of Wood Trusses.....	\$108,575
Water/Sewer Line Construction	\$90,889
Apartments.....	\$83,116
Excavation Contractor	\$82,028
Mattress Mfg.....	\$78,376
Meat Processing.....	\$73,201
Restaurant	\$72,000
Mfg of Custom Windows/Doors.....	\$64,000
Landscape Contractor	\$59,120
Scrap Metal Dealer	\$52,584
Snack Food Mfg	\$48,005
General Warehousing.....	\$47,051
Bowling Center	\$42,796
Metal Heat Treating	\$36,730
Temporary Staffing.....	\$29,908
Hotel	\$28,725
Motor Home Association	\$28,306
Quarry Operation	\$26,000

Feed Our Appetite for Manufacturing Accounts!

MRS is eager to write a variety of manufacturing operations. Here is an example of the types of manufacturers we have written.

Appliance and accessories
 Bottle and jar
 Box or containers
 Brick
 Cable or wire
 Candle
 Candy or confectionary
 Carpet or rug
 Clothing or textiles
 Concrete or plaster
 Dairy products
 Door or window
 Electronic components
 Electroplating/galvanizing
 Food products
 Furniture

Ink
 Machine shop – to customer specs
 Meat processing
 Metal goods
 Paper or paper goods
 Pattern or molds
 Plastic or rubber goods
 Plumbing fixtures
 Roof truss
 Signs
 Telecommunication
 Tools
 Valves
 Wire drawing
 Wood products

Our appetite is not limited to the industry segments indicated here. Call your MRS underwriter on your next manufacturing account opportunity.

New Faces in MRS

Maida Careri, *Senior Underwriter*

Maida brings over 18 years of P&C experience to MRS. She has worked as an Underwriting Specialist for several large carriers including Cigna, Crum and Forster, Fireman's Fund, and Kemper. Most recently, Maida worked for Transatlantic Reinsurance Company in New York City where she was responsible for marketing, pricing, and underwriting property line placements. Maida is a graduate of Pace University in New York, with a B.A. in Spanish Literature.

Micki Wyatt, *Underwriter*

Micki brings over 18 years of multi-line underwriting and project management experience to MRS. Micki spent the majority of her insurance career with Zurich-North America, where she started in 1990. She will be responsible for underwriting our Homogeneous Blocks of Business (HBBs). Micki is a graduate of the University of Baltimore, with a B.S. in Business Management.

Sandy Kind, *Associate Underwriter*

Sandy brings more than 17 years of insurance experience to MRS. She has worked for several large insurance brokers in Long Island and Richmond as a Supervisor and Account Manager. Most recently, she was a Sales and Marketing Representative at TransInsurers in Chester, Virginia.

Christina Smith, *Policy Production*

Christina and her husband recently moved to Richmond following the devastating destruction to New Orleans caused by Hurricane Katrina. We are extremely happy to have Christina join the MRS family. Christina previously worked with Burns and Wilcox in New Orleans and in Morehead City, North Carolina, where she performed policy issuance duties.

Underwriting Contacts

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Direct Dial: All extension numbers begin with 804-527-XXXX

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Premium Payment Options Available at MRS

MRS is pleased to offer the following premium payment options to you and our valued insureds. Each option is available on an agency bill or direct bill basis.

- Option 1** **Annual payment**
- Option 2** **25% down plus
3 installments of 25%
every 60 days**
- Option 3** **25% down plus
7 installments every
30 days**

Our quoted account premiums will be based on the assumption of Option 1, Annual payment. Discuss the availability of Options 2 or 3 with your underwriter. A \$5 charge per installment applies to policies billed under Options 2 or 3. Also, please note that with any installment

billing account, (Agency Bill or Direct Bill) our agency partner is expected to collect the 25% down payment and any taxes, fees or other surcharges upon binding the account with Markel. The down payment check should be made out to Markel Insurance Company, should be noted if it is a direct billed policy, should include the policy number, and be mailed to:

**P.O. Box 3870
Glen Allen, VA 23058-3870**

If the policy is on a direct bill, the insured will be billed for the remaining installments and should submit payments to:

**P.O. Box 79652
Baltimore, MD 21279-0652**

Thank you for your cooperation.

MRS Adding Silica Exclusion

MRS will be adding the Silica exclusion, where approved, to the general liability line of business on new policies and renewals. You and the policyholder will receive conditional renewal notices describing the change in terms and conditions.

For reference purposes, the Silica exclusion form is CG 2196.

Please call your MRS underwriter with any questions or concerns.