



September 29, 2016

Ms. Susan M. Cospers
Technical Director
File Reference No. 2016-270
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Ms. Cospers:

Markel Corporation (Markel) is a diverse financial holding company serving a variety of niche markets. Our principal business markets and underwrites specialty insurance products. We also own interests in various industrial and service businesses that operate outside of the specialty insurance marketplace. Both our insurance and non-insurance operations are conducted on a worldwide basis. We are a publicly traded company (NYSE: MKL) with total assets of approximately \$26 billion and market capital of approximately \$13 billion. For the year ended December 31, 2015, our income before taxes was approximately \$742 million and our income tax expense was approximately \$153 million. Approximately 56% of our pretax income for the year ended December 31, 2015 was derived from foreign operations.

We appreciate the opportunity to comment on the FASB's Proposed Accounting Standards Update: Income Taxes (Topic 740), *Disclosure Framework – Changes to the Disclosure Requirements for Income Taxes*. We offer the following responses to certain questions on which comment was requested in the proposed Update:

Question 1: Would the proposed amendments result in more effective, decision-useful information about income taxes? Please explain why or why not. Would the proposed amendments result in the elimination of decision-useful information about income taxes? If yes, please explain why.

We continue to support the FASB in their efforts to improve the effectiveness of disclosures required by U.S. GAAP in the notes to the financial statements by facilitating clear communication of information that is most important to financial statement users. Although we support many of the proposed changes to the disclosure requirements for income taxes, we offer the following comments on certain of the proposed amendments.

Unrecognized Tax Benefits

We agree that the requirement by paragraph 740-10-50-15 to disclose the nature of and an estimate of the range of a reasonably possible change in the unrecognized tax benefits balance in the next 12 months or make a statement that an estimate of the range cannot be made is not consistent with the proposed Concepts Statement which states that information about estimates and assumptions is not appropriate for the notes unless it is an input to a current measure of an asset or a liability. We agree with the proposed amendment to eliminate these requirements.

Markel Corporation

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Tax Carryforwards

The proposal to require disclosure of tax carryforwards scheduled to expire in each of the next five years does not appear to provide meaningful information to the user of the financial statements. The disclosure of tax carryforwards by year of expiration is not necessarily representative of the timing in which a tax carryforward may be used, and in some cases may even contradict the likelihood that a business entity will utilize its carryforwards as the proposed disclosure does not take into consideration the existence of a valuation allowance. In our view, the existing valuation allowance concept and disclosure already conveys such information in a meaningful manner because it is based on the likelihood of utilization, rather than the scheduled expiration.

Question 5: The Board considered several disclosures on indefinitely reinvested foreign earnings (see paragraphs BC27-BC40 of this proposed Update). Is there other information that the Board should consider regarding these potential disclosures? Are there other disclosures about indefinitely reinvested foreign earnings that would be more cost beneficial?

We believe that the proposed disclosure of the amount of earnings for which the assertion about indefinite reinvestment is changing could be meaningful in some circumstances; however, we believe the Board should consider the sensitivity of entity specific information that an entity would be required to disclose in providing an explanation of the circumstances surrounding the change in assertion. The disclosure of changes to repatriation planning, while within management's control, could render such plans less effective and adversely affect the reporting entity. Additionally, specific details regarding an entity's repatriation planning are not necessary to understand the tax consequences of remitting earnings back to the United States, which appears to be the ultimate objective of a disclosure around a change in an entity's assertion about indefinite reinvestment. Due to the sensitivity of information that would be required to be disclosed, we believe this proposal does not address the concerns raised in paragraph D28 of the proposed Concepts Statement and do not support the proposed amendment to disclose an explanation of the circumstances that caused a change in assertion about the indefinite reinvestment of undistributed foreign earnings.

Also, in the basis for conclusions of this proposed Update, we noted the FASB considered removing the existing practicability exception for the disclosure of the unrecognized deferred tax liability on indefinitely reinvested foreign earnings. For many companies, the calculation of such an unrecognized deferred tax liability is very complex and involves assumptions about the likely manner of a hypothetical repatriation which may not take place for many years. By definition, this is not part of the company's business plan and such a calculation can only be a very rough estimate. In our view, the cost and complexity outweigh the limited benefit that such disclosure would provide. We agree and support the FASB's decision to maintain the practicability exception in the proposed amendment.

Question 10: How much time would be needed to implement the proposed amendments? Should the amount of time needed to implement the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities? Should early adoption be permitted? If the answer is "yes" to either question, please explain why.

We do not anticipate a significant amount of time would be necessary for Markel to adopt the amendments in the proposed Update, however, other companies may be more significantly impacted by the amendments in the proposed Update and may require a longer amount of time to

implement. At a minimum, we believe a one year implementation period would be appropriate for public business entities.

Thank you for your consideration of our comments on these matters. If you have questions or would like to discuss our comments further, please contact me at (804) 527-7724.

Sincerely,

A handwritten signature in blue ink that reads "Nora N. Crouch". The signature is written in a cursive style with a long horizontal stroke at the end.

Nora N. Crouch
Chief Accounting Officer