



**MARKEL**

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September 28, 2011

Mr. Martin Baumann  
Chief Auditor and Director of Professional Standards  
Public Company Accounting Oversight Board  
1666 K Street  
Washington, DC 20006-2803

**Re: PCAOB Rulemaking Docket Matter No. 34 - Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements and Related Amendments to PCAOB Standards**

Dear Mr. Baumann:

Markel Corporation (Markel) is a global, specialty property and casualty insurer traded on the New York Stock Exchange and headquartered in Richmond, VA. In response to the PCAOB's recently issued a concept release on the auditor's reporting model, Markel submits the following comments for your consideration.

We recognize and support the Board's goal of changing the auditor's reporting model in a way which would increase the transparency and relevance of financial statements and the audit process without compromising audit quality. However, of the four alternatives proposed, we believe the most effective approach to achieve this objective and to provide more relevant and useful information to investors and other financial statement users is to: (1) modify the current auditor's report to clarifying language about what an audit represents and what the related auditor responsibilities are; and (2) require inclusion of an expanded emphasis paragraph in all audit reports that would highlight the most significant matters in the financial statements and identify where these matters are disclosed. We believe these changes would enhance communication to investors by improving the content of the auditor's report rather than changing the fundamental role of the auditor in performing an audit of financial statements.

We do not support the proposal to require Auditor Discussion and Analysis as we believe this approach changes the role of the auditor in such a way as to increase the cost of audits and blurs the lines of accountability with management's. Auditors currently review Management's Discussion and Analysis to ensure that information presented there is consistent with the audit financial statements. During this review, auditors also have the opportunity to provide feedback, observations and comments regarding matters that they believe are relevant to the investors and other users of the financial statements.

We have reviewed the June 9, 2011 submission by the Center of Audit Quality and agree with the following "Overarching Principles":

- ◆ Auditors should not be the original source of disclosure about the entity; management's responsibility should be preserved in this regard.
- ◆ Any changes to the reporting model need to enhance, or at least maintain, audit quality.
- ◆ Any changes to the reporting model should narrow, or at least not expand, the expectations gap.
- ◆ Any changes to the reporting model should add value and not create investor confusion. Specifically, any revisions should not require investors to sort through "dueling information" provided by management, the audit committee, and independent auditors.
- ◆ Auditor reporting should focus on the objective rather than the subjective.

We would like to encourage you to consider the above principles to guide the development of possible areas for further consideration related to revisions to the auditor's reporting model.

We appreciate the opportunity to share our views regarding possible revisions to the auditor's reporting model.

Sincerely,



Anne G. Waleski  
Vice President, Chief Financial Officer and Treasurer  
Markel Corporation

Cc: Stewart M. Kasen, Chairman, Markel Corporation Audit Committee  
Nora N. Crouch, Controller and Chief Accounting Officer, Markel Corporation